

**SOLID WASTE AUTHORITY OF  
CENTRAL OHIO  
FRANKLIN COUNTY, OHIO**

***REGULAR AUDIT***

**FOR THE YEAR ENDED DECEMBER 31, 2022**



Rea & associates

[www.reacpa.com](http://www.reacpa.com)



OHIO AUDITOR OF STATE  
KEITH FABER



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

Board of Trustees  
Solid Waste Authority of Central Ohio  
4239 London Groveport Road  
Grove City, Ohio 43123

We have reviewed the *Independent Auditor's Report* of the Solid Waste Authority of Central Ohio, Franklin County, prepared by Rea & Associates, Inc., for the audit period January 1, 2022 through December 31, 2022. 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 Solid Waste Authority of Central Ohio is responsible for compliance with these laws and regulations.

A handwritten signature in black ink that reads 'Keith Faber'.

Keith Faber  
Auditor of State  
Columbus, Ohio

August 24, 2023

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# **ANNUAL COMPREHENSIVE FINANCIAL REPORT**

Solid Waste Authority of Central Ohio  
Franklin County, Ohio

For the Year Ended December 31, 2022

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# **Annual Comprehensive Financial Report**

**of the**

## **Solid Waste Authority of Central Ohio**

**Franklin County, Ohio**

**for the**

**Year Ended December 31, 2022**

Issued by the Solid Waste Authority of Central Ohio  
Joseph A. Lombardi - Executive Director

Prepared by the Accounting and Finance Department  
Patrick W. O'Block – Accounting and Finance Manager  
Andrew C. Ehlenbach – Senior Accountant and Budget Administrator



**Annual Comprehensive Financial Report**  
**For the Year Ended December 31, 2022**

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# **INTRODUCTORY SECTION**

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June 28, 2023

To the Board of Trustees, residents, and businesses of the Solid Waste Authority of Central Ohio (“SWACO”):

We are pleased to present SWACO’s Annual Comprehensive Financial Report (“ACFR”) for the fiscal year ended December 31, 2022, to the SWACO Board of Trustees and those living and doing business within the jurisdiction of SWACO.

The management of SWACO assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls it has established for this purpose. Because the cost of internal controls should not exceed the anticipated benefits, the objective is to provide reasonable, but not absolute, assurance that the financial statements are free of material misstatements.

Rea & Associates, Inc., Certified Public Accountants, have issued an unmodified opinion on SWACO’s financial statements for the year ended December 31, 2022. The independent auditors’ report is located at the beginning of the Financial Section of the report, Section 2.

The Management Discussion and Analysis (“MD&A”) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

## **Profile of SWACO**

A political subdivision of the State of Ohio, SWACO is one of 52 single and multi-county solid waste management districts established under Ohio’s solid waste management program. The primary goal of the State’s solid waste management program is reducing reliance on landfills for solid waste disposal in Ohio. As a solid waste district, SWACO is responsible for preparing, updating, and implementing a comprehensive solid waste management plan for the Franklin County Solid Waste Management District (the “District”).

In addition to providing solid waste planning for the District, SWACO operates a sanitary landfill with a maximum daily capacity of 8,000 tons, two waste transfer stations with a combined capacity of approximately 3,000 tons per day, and various recycling and waste reduction programs.

SWACO is managed by an Executive Director who is appointed by the Board of Trustees. The Board of Trustees includes the following members:

- The President of the Franklin County Board of Commissioners or his/her designee
- One Member appointed by the Board of Commissioners
- The Mayor of the City of Columbus or his/her designee
- One Member appointed by the Mayor of Columbus
- The Health Commissioner of the Health District having the largest territorial jurisdiction with Franklin County, or their designee.
- One Member to be chosen by a majority of the Boards of Township Trustees

- One Member representing the public.
- One Member representing commercial, industrial, or institutional generators of solid waste.
- One Member representing the interest of citizens with no affiliation with a solid waste management company or significant generator of solid waste.

SWACO's mission is to manage the District municipal solid waste stream to achieve environmentally responsible and cost-effective disposal, treat solid waste as a resource capable of yielding recovered materials and energy, reduce reliance on landfilling, and plan future disposal capacity for the District.

SWACO is also responsible for post closure care of the closed Model Landfill including maintenance of the integrity and effectiveness of the final cover, the leachate collection, ground water monitoring, and gas monitoring systems.

### **History of SWACO**

SWACO was established in 1989 and its first two years were devoted to developing the initial solid waste management plan for the District. In 1991, SWACO purchased the 3,333 ton-per-day Franklin County Sanitary Landfill (the "Landfill") from the Franklin County Commissioners and, in 1993, added a 90-megawatt, 2,000 ton-per-day resource recovery facility (the "Waste-To-Energy Facility" or "WTEF") and two solid waste transfer facilities through a long-term lease with the City of Columbus (the "City"). SWACO also acquired the Franklin County (the "County") closed landfill (the "Model Landfill") as part of the acquisition of the operating Landfill.

SWACO closed all but the waste receiving portion of the WTEF at the end of 1994 because of its inability to generate revenues sufficient to operate the facility and pay the lease obligation to the City. SWACO converted the waste receiving portion of the facility to a solid waste transfer station and negotiated revised lease terms with the City. Pursuant to the modified lease, SWACO implemented new fees in 1999 applied to all solid waste generated within SWACO's jurisdiction and dedicated to the payment of the lease (see Note 11). In 2005, SWACO demolished the waste incineration portions of the facility, retaining the transfer station and certain buildings and structures that SWACO used for recycling activities. The remaining buildings and structures were destroyed by fire in 2008, leaving only the transfer station.

With closure of the WTEF in 1994 and the resulting loss of disposal capacity, SWACO began the process of obtaining a permit from the Ohio Environmental Protection Agency (the "OEPA") to expand the Landfill to meet the additional disposal requirements of the District. In 1997, the permit was approved adding 49 million cubic yards of capacity to the Landfill, sufficient to meet SWACO's disposal requirements for at least 25 years and increasing the daily capacity to 6,000 tons. A further modification to the permit, approved in 2009, added 3.5 million cubic yards to the Landfill's capacity and a new permit was approved in 2018 giving a total airspace of 97 million cubic yards. In 2011, the OEPA granted SWACO's request to increase its daily capacity from 6,000 to 8,000 tons.

## **The Solid Waste Plan**

SWACO's Solid Waste Plan was originally adopted in 1993. The plan is subject to periodic updates and the last update approved by the OEPA was in November 2017. Updates to the Solid Waste Plan were ratified by the Board of Trustees and were submitted to OEPA, which the Solid Waste Management Plan was approved in February 2018.

The current Solid Waste Plan includes the following recycling and waste reduction programs:

### **Yard Waste Composting Services**

SWACO provides free yard waste composting services located at two composting facilities within the district. These facilities are operated by Com-Til and Ohio Mulch Supply, Inc. The composting services are free of charge to all Franklin County residents and subsidized by SWACO.

### **Household Hazardous Waste Collections**

SWACO began mobile household hazardous waste collections in local communities within SWACO's solid waste management district on September 28, 1991. The mobile collections are free to district residents and offer citizens the opportunity to dispose of household hazardous materials in an environmentally friendly and responsible fashion. SWACO opened a permanent HHW collection facility under contract with Environmental Enterprises, Inc., located at 645 E. E. 8<sup>th</sup> Avenue, in Columbus. This program is subsidized by SWACO.

### **SWACO Recycling Drop Box Program**

SWACO offers free residential recycling within the District through a community-wide drop box program. The City of Columbus started the program and SWACO acquired the program in April 2002, servicing approximately 50 locations. SWACO has grown the program to approximately 70 locations within the District. SWACO provides the drop boxes to the local community and collects and transports the recyclables to a material recovery facility to be sold for reuse.

SWACO also provides resources to communities forming consortiums to better negotiate combined refuse, recycling, and yard waste collection services.

## **Budgetary Control**

The Board of Trustees adopts an annual non-appropriated operating and capital improvements budget resolution. Budgetary control is maintained by the Board at the major account level (salaries, wages, and benefits; contracts, services, and supplies; capital outlays; etc.). The Statistical Section provides a budget to actual comparison for the year ending December 31, 2022.

SWACO maintains a five-year Capital Improvement Plan that serves as the basis to support each year's Board approved Capital Budget. Long term assets such as land and landfill cell construction have been financed through general obligation bond issuances. Operating capital is provided by revenue from ongoing landfill operations.

## **Local Economy and Economic Outlook**

SWACO is located principally within Franklin County, with the City of Columbus as the largest city within the District. Government jobs provide the largest single source of employment within Columbus, due to the presence of city, state, county, and federal employers. The area also hosts The Ohio State University, Battelle Memorial Institute, the world’s largest private not-for-profit research and development foundation, and the headquarters for several major corporations, including five U.S. Fortune 500 organizations. Both the City and the County maintain triple-A ratings on their long-term debt from the major rating agencies. In 2022, SWACO continued development plans with the City of Grove City.

## **Long-Term Financial Planning**

The SWACO Board of Trustees adopts annual operating and capital budgets that are supported by pro forma projections to extend the planning horizon from five to twenty-five years. Over the next twenty-five years, extensive capital improvements will be completed as SWACO constructs the remaining four phases of the Landfill and plans for its eventual closure and replacement.

Obligations for closure/post-closure care of the Franklin County Sanitary Landfill are currently cash funded annually through operating revenue and are restricted and held in an Ohio Environmental Protection Agency trust fund account.

The previously established post-closure fund for care of the closed Model Landfill has been exhausted. SWACO is ultimately responsible for the ongoing costs of maintaining the landfill cap and the landfill gas collection and control system, as well as the standard operating and maintenance costs. SWACO is currently able to fund these costs into the future through operating revenue generated by operation of the currently active Franklin County Sanitary Landfill whose volumes and revenues are secured by the enactment of flow control within the district.

SWACO currently has an AAA rating from Standard and Poor’s Corporation and an Aaa rating from Moody’s Investors Service.

## **Major Initiatives**

### **Carbon Emissions**

SWACO is committed to making efforts to reduce carbon emissions and successfully completed the second year of our carbon emissions management plan. In our third year, SWACO was successful in reducing carbon emissions in five key areas: building energy management, landfill gas emission management, facilities waste management, vehicle and equipment fuel management, and district waste reduction programs. The plan is unique to meet the needs and capacities of SWACO. The broader plan created a specific action plan to help implementation by current and future staff. SWACO intends to empower staff to “walk the walk” to reduce carbon emissions. The plan helps us define our goal, build teams, reduce carbon emissions, measure our results, and allows us to communicate our success.



### **Campus Building Plan**

The Campus Building Plan includes demolition and replacement of the current operations building(s) to make way for increased landfill footprint to extend landfill life. In 2021, SWACO began designing the first project of the plan to renovate the current fleet maintenance building with addition for operations staff and heavy equipment maintenance. Construction began in 2022 and is expected to be completed late 2023 or early 2024. The new construction is expected to be LEED-Certified.

### **Environmental Resource Center (ERC)**

As part of the Campus Building Plan, the existing ERC was to be demolished and relocated. The ERC is the “classroom” from which our landfill tours operate. SWACO purchased trailers to serve as a temporary ERC until a permanent solution is finalized. The ERC is expected to be operational in 2023.

### **Enterprise Resource Planning Software (ERP)**

After selection of Oracle NetSuite for financial needs and Ceridian Dayforce for payroll and human resource functions, in 2021 SWACO selected an integrator for NetSuite and began implementation phase. Implementation work continued in 2022, and the new ERP will go-live in July 2023.

### **Technology**

SWACO initiated, continued, or completed several technology initiatives in the areas of cyber-security program and training, network redundancy, fiber extensions to facilities, migration to cloud-based systems, printer/copier refresh, security cameras, and a laptop/PC refresh.

### **Capital Improvements**

#### **Gas Collection and Control Systems**

The 2022 gas collection and control systems (“GCCS”) construction project was completed in August 2022. This work included the installation of twenty-seven new vertical wells, the replacement of four existing wells, and installation of horizontal collectors, among other improvements.

#### **Morse Road Transfer Station Improvements**

The Morse Road Transfer Station Improvements Project has two major features of work: improving site environmental compliance and improving operational efficiencies. As the site accepts more waste each year, SWACO needs to increase its transfer capacity. This project requires coordination with the City of Columbus which can add time to the overall project. SWACO submitted a design to the City of Columbus and has been since responding to comments. The design includes regrading the tipping floor, adding a trash compacting bay

with a loading conveyor, adding an electric crane, and other stormwater improvements. Additionally, an OEPA permit modification will need to be completed prior to construction.

### **Programs Initiatives**

The Innovations and Programs Department continued to grow and develop waste reduction and diversion programs and initiatives to service District residents and businesses. A few department accomplishments during 2022 include:

- SWACO assisted two communities with bidding out their waste, recycling, and yard waste collection and processing agreements.
- Implemented Recycle Right community campaigns in three communities reaching over 20,000 households.
- Implemented a pilot project with the City of Columbus to provide recycling services to large apartment complexes within the City.
- Awarded more than \$168,000 in grant dollars to support recycling and composting programs in partnership with 10 area nonprofits, communities, and government organizations including City of Columbus, CCAD, City of Bexley, Global Water Dances Columbus, Goodwill Industries of Central Ohio, Impact Community Action, MY Project USA, New Albany Intermediate School, Rescuing Leftover Cuisine, and the Worthington Partnership.
- Supported Upper Arlington City Schools with implementing a major evaluation and upgrade of its district-wide recycling program.
- Hosted 108 landfill tours reaching 3,970 people.
- Diverted 660,000 pounds of Household Hazardous Waste through collection programs.

### **Awards and Acknowledgements**

#### Certificate of Achievement for Excellence in Financial Reporting

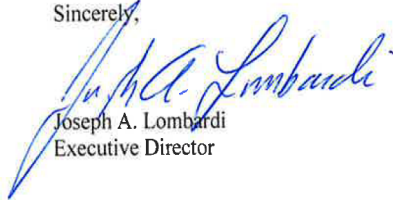
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to SWACO for its annual comprehensive financial report for the fiscal year ended December 31, 2021. This was the twenty-second consecutive year SWACO has received this award. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR that satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgements

The Executive Director wishes to thank the employees of SWACO for their dedication and hard work. On behalf of the residents and staff of SWACO, the Executive Director also acknowledges the support and efforts of the Board of Trustees. These Board members, who serve without compensation, have provided valuable expertise and guidance to SWACO, and have made a significant investment of time to help the organization achieve its goals.

Sincerely,



Joseph A. Lombardi  
Executive Director

Sincerely,

*Patrick O'Block*

Patrick O'Block  
Accounting and Finance Manager

# Principal Officials

As of June 28, 2023

## Board of Trustees

*(Appointed by or Representing)*

Patrick King, Chair

*Appointed by the Board of Trustees  
Representing the Public*

Honorable John O'Grady

*President of the Franklin County Board of  
Commissioners*

Susan Tilgner, Madam Vice Chair

*Appointed by the Board of Trustees  
Representing the General Interest of  
Citizens*

Kathy Owens

*Appointed by the Mayor of the City of  
Columbus*

Jennifer Gallagher

*Designee of the Mayor of the City  
of Columbus*

Kenneth Wilson

*Appointed by the Franklin County Board of  
Commissioners*

Jeff Gibbs

*Designee of the Franklin County  
Health Commissioner*

Vacant

*Appointed by the Board of Trustees  
representing Industrial, Commercial, or  
Institutional Waste Generators*

Ron Grossman

*Appointed by a majority of the Boards of  
Township Trustees in Franklin County*

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## Staff

Joseph Lombardi, Executive Director

Scott Perry, Assistant Executive Director

Rebecca Egelhoff, Director of Legal Affairs

Patrick O'Block, Accounting and Finance Manager

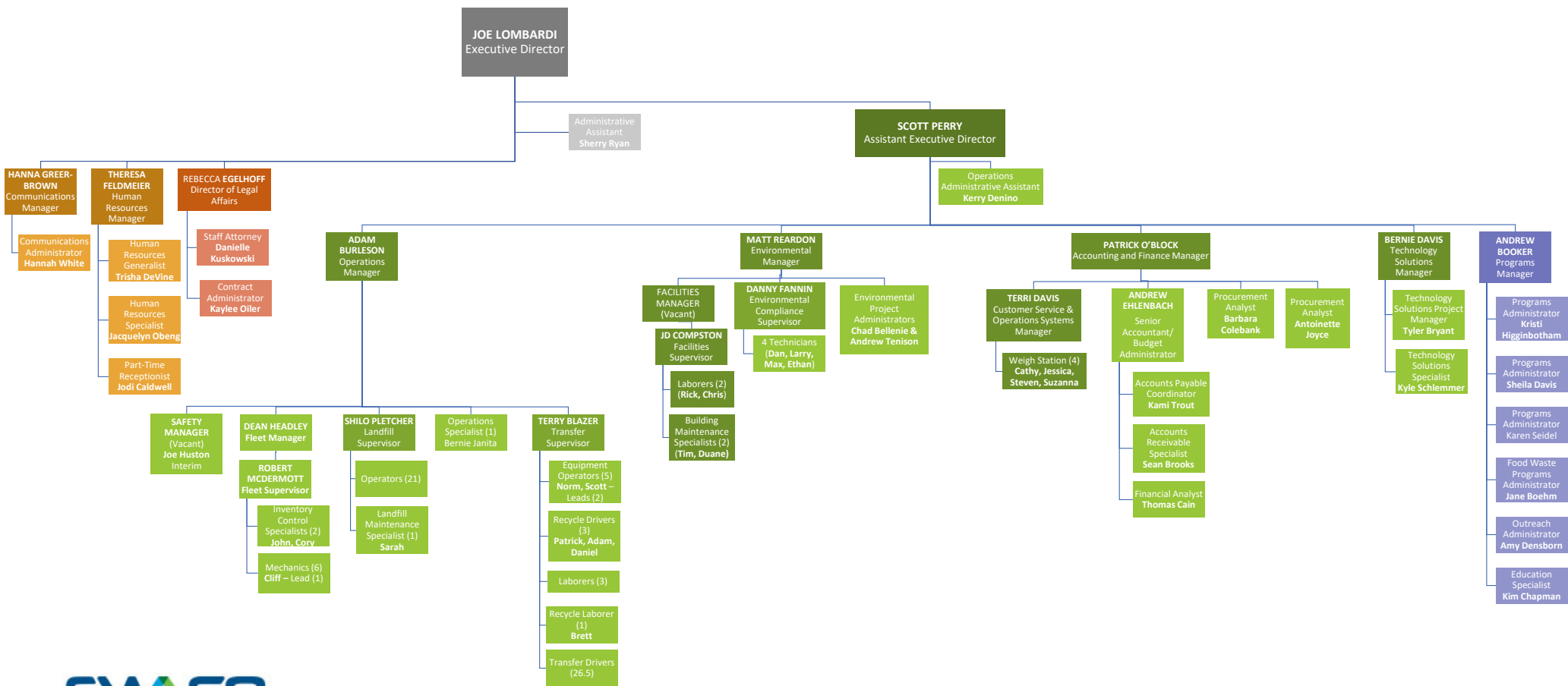
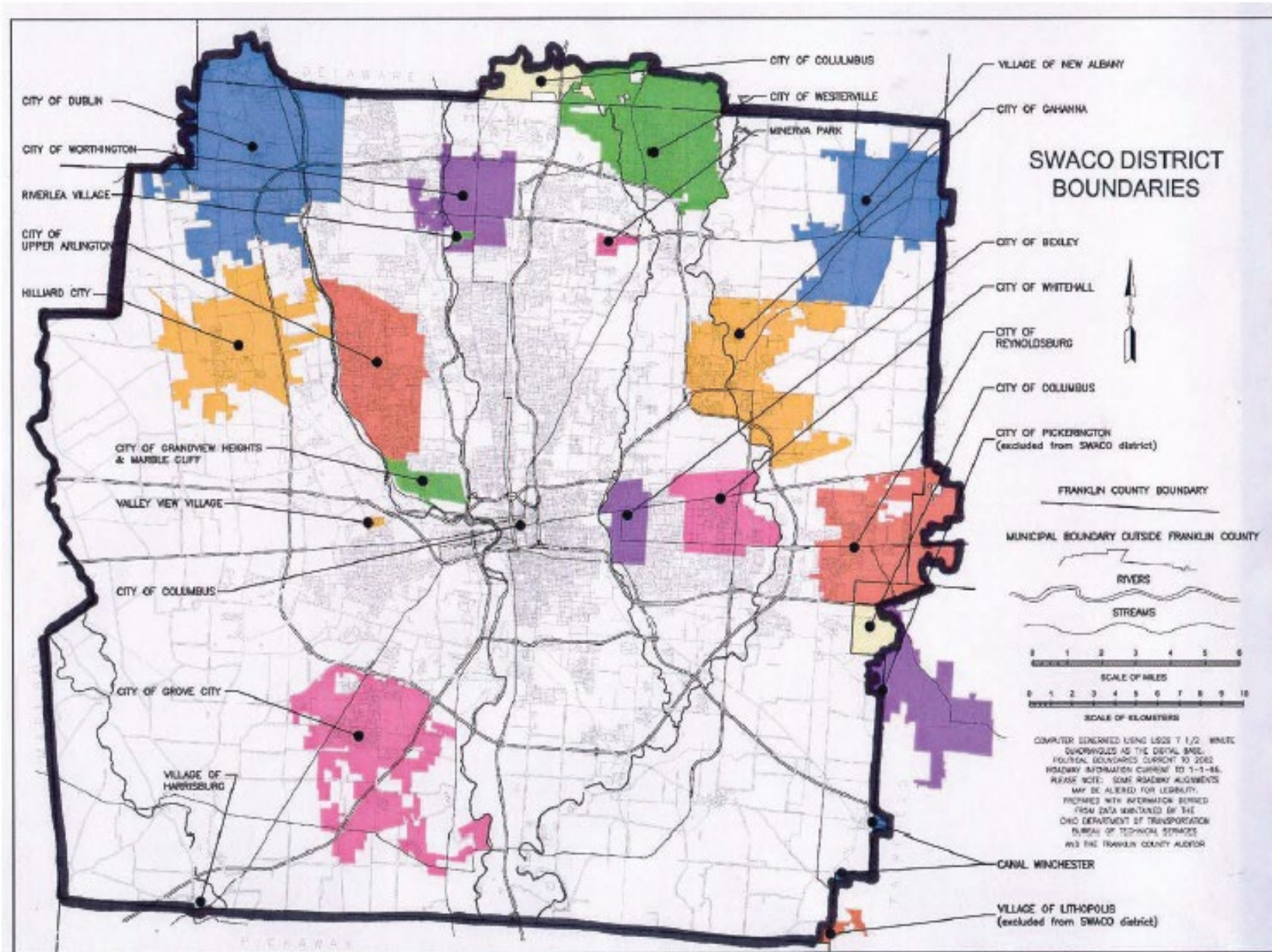


Table of Organization





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Solid Waste Authority of Central Ohio**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morrill*

Executive Director/CEO

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# **FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees  
Solid Waste Authority of Central Ohio  
4239 London Groveport Road  
Grove City, Ohio 43123

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the business-type activities and each major fund of the Solid Waste Authority of Central Ohio (SWACO), Franklin County, Ohio, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise SWACO's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and each major fund of SWACO, Franklin County, Ohio, as of December 31, 2022, and the respective changes in financial position and cash flows thereof 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 SWACO, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about SWACO'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 SWACO'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 SWACO's ability to continue as a going concern for a reasonable period of time.

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and pension and other post-employment benefit schedules, as 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 Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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 June 28, 2023 on our consideration of SWACO'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 SWACO'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 SWACO's internal control over financial reporting and compliance.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Gahanna, Ohio  
June 28, 2023

# SWACO

## Management's Discussion & Analysis for the Year Ended December 31, 2022 (unaudited)

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### MANAGEMENT'S DISCUSSION AND ANALYSIS

Management's Discussion and Analysis ("MD&A") provides an overview of the financial performance of the Solid Waste Authority of Central Ohio (SWACO) and provides an introduction to SWACO's financial statements for the year ended December 31, 2022. The information contained in this MD&A should be considered in conjunction with information presented in the letter of transmittal, beginning on page 1-1, and SWACO's financial statements and corresponding notes to the financial statements, which follow this section.

#### Overview of the Financial Statements

SWACO's financial statements are prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America and promulgated by the Governmental Accounting Standard Board ("GASB"). The financial information of SWACO is accounted for in two enterprise funds in order to reflect limitations and restrictions placed on the use of available resources. The *Operating Fund* is used primarily to account for revenues and expenses related to the operation of SWACO's Sanitary Landfill and solid waste transfer facilities. Except for certain fees restricted to the payment of a lease obligation and related bonds, the fund may be used for any other lawful solid waste management purpose deemed appropriate by the Board of Trustees. Generation Fees in the *Program Fund* are restricted by state statute to certain solid waste reduction, recycling and reuse purposes. Generation fee proceeds are derived from \$5.00 per ton included in the tipping fee, and additional program funds are received from grant income.

Following this MD&A are the basic financial statements of SWACO together with notes, which are essential to a full understanding of the data contained in the financial statements. Included in the financial statements for SWACO are the following:

- **Statement of Net Position** – This statement presents information about all of SWACO's assets, liabilities, and deferred outflows and inflows with the difference between them reported as net position.
- **Statement of Revenues, Expenses and Changes in Net Position** - This statement includes all operating and non-operating revenues and expenses for SWACO and shows the change in SWACO's net position during the most recent year.
- **Statement of Cash Flows** – This statement reports cash and cash equivalent activities for the year. A reconciliation of operating income to net cash provided by operating activities is provided.

#### Financial Highlights/Overview of 2022

- SWACO's overall net position increased by \$14.7 million in 2022.
- Operating Fund net position increased by approximately \$13.3 million in 2022.
- Operating Fund sale of landfill gas decreased by approximately \$853,000 in 2022.
- Operating Fund fees (tipping, disposal, and transfer fees) increased by approximately \$583,000 in 2022.

## SWACO

### Management's Discussion & Analysis for the Year Ended December 31, 2022 (unaudited)

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- Operating Fund and Program Fund operating expenses – Salaries, wages and benefits overall expense increased approximately \$4.0 million from the prior year, primarily attributable to GASB 68 and GASB 75 as mentioned on page 2-6. In the Operating Fund operating expenses for salaries, wages and benefits increased by approximately \$3.7 million. Operating expenses for salaries, wages, and benefits in the Program Fund increased by approximately \$387,000.
- Contracts, services, and supplies expense for the combined funds increased by approximately \$2.3 million. The Operating Fund increased by approximately \$2.6 million. The Program Fund saw a decrease of approximately \$224,000.
- Depletion and closure expense decreased by approximately \$4.6 million over prior year. Landfill depletion expense is down approximately \$1.1 million from prior year while closure expense is also down approximately \$3.5 million from prior year. The major change from year over year is associated with the updated unit costs, additional infrastructure costs, and expected timing of the useful life of the landfill.
- Non-operating revenues and expenses for the Combined Funds net to an expense of approximately \$4.3 million, an overall decrease of approximately \$1.5 million from 2021, due to decrease in interest earnings.

#### **Combined Net Position**

The 2021 and 2022 combined net position of both the Operating and Program Funds is presented on the following page. SWACO's net position increased from the prior year by approximately \$14.7 million.

Other restricted net position includes approximately \$7.9 million pertaining to the Generation Fee, which is used for educational and outreach initiatives.

\* This space intentionally left blank. \*

**SWACO****Management's Discussion & Analysis for the Year Ended December 31, 2022****(unaudited)**

| <b>Net Position</b>  |                       |                       |                                |
|--|-----------------------|-----------------------|--------------------------------|
| <b>Operating and Program Funds Combined</b>  |                       |                       |                                |
|  | <b>Restated 2021</b>  | <b>2022</b>           | <b>Increase<br/>(Decrease)</b> |
| <b>Assets</b>  |                       |                       |                                |
| Current and other assets   | \$ 94,579,051         | \$ 103,464,712        | \$ 8,885,661                   |
| Closure/post-closure funds held by<br>Trustee & accrued int. rec.                                  | 31,229,576            | 30,730,816            | (498,760)                      |
| Capital assets   | 103,119,610           | 97,363,923            | (5,755,687)                    |
| Lease receivable (less current portion)  | 390,262               | 336,649               | (53,613)                       |
| Net OPEB Asset   | 935,508               | 1,684,597             | 749,089                        |
| <b>Total assets</b>  | <b>230,254,007</b>    | <b>233,580,697</b>    | <b>3,326,690</b>               |
| <b>Deferred outflows of resources</b>  |                       |                       |                                |
| Refundings   | 1,273,654             | 1,081,030             | (192,624)                      |
| Pension  | 1,414,006             | 2,206,654             | 792,648                        |
| OPEB   | 715,501               | 113,901               | (601,600)                      |
| Total deferred outflows of resources   | 3,403,161             | 3,401,585             | (1,576)                        |
| Current liabilities  | 13,101,957            | 11,917,340            | (1,184,617)                    |
| Bonds and notes payable, less current<br>portion, net  | 59,797,009            | 53,300,802            | (6,496,207)                    |
| Landfill closure/post-closure liability,<br>non-current  | 19,737,637            | 18,043,003            | (1,694,634)                    |
| Compensated leave  | 42,356                | 69,957                | 27,601                         |
| Lease Payable  | 1,039,696             | 958,666               | (81,030)                       |
| Net pension liability  | 7,383,773             | 4,445,646             | (2,938,127)                    |
| <b>Total liabilities</b>   | <b>101,102,428</b>    | <b>88,735,414</b>     | <b>(12,367,014)</b>            |
| Deferred inflows of resources: pension   | 3,226,959             | 5,398,161             | 2,171,202                      |
| Deferred inflows of resources: OPEB  | 2,897,345             | 1,749,355             | (1,147,990)                    |
| Deferred inflows of leases   | 443,186               | 385,139               | (58,047)                       |
| Total deferred inflows of resources  | 6,567,490             | 7,532,655             | 965,165                        |
| <b>Net position</b>  |                       |                       |                                |
| Net investment in capital assets:  |                       |                       |                                |
| Other capital assets, net  | 36,983,930            | 38,931,666            | 1,947,736                      |
| Restricted:  |                       |                       |                                |
| Other restricted, net  | 6,442,370             | 7,943,487             | 1,501,117                      |
| Closure/post-closure trust fund net of<br>accrued liability – Franklin County<br>Sanitary Landfill | 11,491,938            | 12,687,870            | 1,195,932                      |
| Unrestricted   | 71,069,012            | 81,151,190            | 10,082,178                     |
| <b>Total net position</b>  | <b>\$ 125,987,250</b> | <b>\$ 140,714,213</b> | <b>\$ 14,726,963</b>           |



## SWACO

### Management's Discussion & Analysis for the Year Ended December 31, 2022 (unaudited)

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The net pension liability (NPL) is reported by SWACO at December 31, 2022 pursuant to GASB Statement 68, *Accounting and Financial Reporting for Pensions—an Amendment of GASB Statement 27*. For reasons discussed below, many end users of this financial statement will gain a clearer understanding of SWACO's actual financial condition by adding deferred inflows related to pension and OPEB, the net pension liability and the net OPEB liability to the reported net position and subtracting deferred outflows related to pension and OPEB.

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

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

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

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

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

## SWACO

### Management's Discussion & Analysis for the Year Ended December 31, 2022 (unaudited)

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

In accordance with GASB 68 and GASB 75, SWACO'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.

#### **Combined Revenues, Expenses, and Changes in Net Position**

The 2021 and 2022 combined revenue, expenses, and changes in net position of both the Operating and Program Funds are presented and compared below.

|                                | <b>Revenues, Expenses, and Changes in Net Position<br/>Operating and Program Funds Combined</b> |                       |                                |
|--------------------------------|---|-----------------------|--------------------------------|
|                                | <b>2021</b>   | <b>2022</b>           | <b>Increase<br/>(Decrease)</b> |
| Revenues                       |   |                       |                                |
| Operating revenues             | \$ 65,173,111   | \$ 65,126,087         | \$ (47,024)                    |
| Non-operating revenues         | (432,212) *   | (2,375,062)           | (1,961,150)                    |
| Total revenues                 | <u>64,740,899</u>   | <u>62,751,025</u>     | <u>(2,008,174)</u>             |
| Expenses                       |   |                       |                                |
| Operating expenses             | 44,335,059  | 46,066,665            | 1,731,606                      |
| Non-operating expenses         | 2,386,711 *   | 1,957,397             | (447,614)                      |
| Total expenses                 | <u>46,721,770</u>   | <u>48,024,062</u>     | <u>1,283,992</u>               |
| Change in net position         | 18,019,129  | 14,726,963            | (3,292,166)                    |
| Total net position – beginning | <u>107,968,121</u>  | <u>125,987,250</u>    | <u>18,019,129</u>              |
| Total net position – ending    | <u>\$ 125,987,250</u>   | <u>\$ 140,714,213</u> | <u>\$14,726,963</u>            |

\*due to the implementation of GASB 87 leases resulting in a reclassification of non-operating revenues and non-operating expenses.

#### **Financial Position of SWACO**

As shown in the table on page 2-6, SWACO ended 2022 with a combined net position of approximately \$140.7 million, an improvement of approximately \$14.7 million from 2021.

**SWACO****Management's Discussion & Analysis for the Year Ended December 31, 2022****(unaudited)****Operating Fund Net Position**

|  | Restated 2021         | 2022                  | Increase<br>(Decrease) |
|--|-----------------------|-----------------------|------------------------|
| <b>Assets</b>  |                       |                       |                        |
| Current and other assets   | \$ 86,299,877         | \$ 94,086,849         | \$ 7,786,972           |
| Closure/post-closure funds held by trustee   | 31,229,576            | 30,730,816            | (498,760)              |
| Capital assets, net  | 102,681,925           | 96,981,175            | (5,700,750)            |
| Lease receivable   | 390,262               | 336,649               | (53,613)               |
| Net OPEB Asset   | 851,312               | 1,516,137             | 664,825                |
| <b>Total assets</b>  | <b>221,452,952</b>    | <b>223,651,626</b>    | <b>2,198,674</b>       |
| <b>Deferred outflows of resources</b>  |                       |                       |                        |
| Refundings   | 1,273,654             | 1,081,030             | (192,624)              |
| Pension  | 1,295,708             | 1,935,910             | 640,202                |
| OPEB   | 658,594               | 102,929               | (555,665)              |
| Total deferred outflows of resources   | 3,227,956             | 3,119,869             | (108,087)              |
| <b>Liabilities</b>   |                       |                       |                        |
| Current liabilities  | 12,279,330            | 11,219,974            | (1,059,356)            |
| Bonds and notes payable, less current portion, net   | 59,797,009            | 53,300,802            | (6,496,207)            |
| Landfill closure/post-closure liability  | 19,737,637            | 18,043,003            | (1,694,634)            |
| Compensated leave  | 37,896                | 61,477                | 23,581                 |
| Lease payable  | 1,039,696             | 958,666               | (81,030)               |
| Net pension liability  | 6,719,233             | 4,001,081             | (2,718,152)            |
| <b>Total liabilities</b>   | <b>99,610,801</b>     | <b>87,585,003</b>     | <b>(12,025,798)</b>    |
| <b>Deferred inflows of resources</b>   |                       |                       |                        |
| Deferred inflows of resources: pension   | 2,902,360             | 4,846,896             | 1,944,536              |
| Deferred inflows of resources: OPEB  | 2,617,366             | 1,566,479             | (1,050,887)            |
| Deferred inflows of leases   | 443,186               | 385,139               | (58,047)               |
| Total deferred inflows of resources  | 5,962,912             | 6,798,514             | 835,602                |
| <b>Net position</b>  |                       |                       |                        |
| Net investment in capital assets:  |                       |                       |                        |
| Other capital assets, net  | 36,546,245            | 38,548,918            | 2,002,673              |
| Restricted:  |                       |                       |                        |
| Closure/post-closure trust fund net of accrued liability – Franklin County Sanitary Landfill | 11,491,938            | 12,687,870            | 1,195,932              |
| Unrestricted   | 71,069,012            | 81,151,190            | 10,082,178             |
| <b>Total net position</b>  | <b>\$ 119,107,195</b> | <b>\$ 132,387,978</b> | <b>\$ 13,280,783</b>   |

## **SWACO**

### **Management's Discussion & Analysis for the Year Ended December 31, 2022 (unaudited)**

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#### **Operating Fund Net Position**

Collectively, total assets increased by approximately \$2.2 million. The major components to this increase involves current and other assets increasing by approximately \$7.8 million, Closure/post-closure funds held by trustee decreasing by approximately \$499,000, capital assets, net decreasing by approximately \$5.7 million, and net OPEB asset increasing by approximately 665,000.

Collectively, total liabilities decreased by approximately \$12.0 million . The major components of this decrease include current liabilities decreasing by approximately \$1.1 million, bonds payable, less current portion, net decreasing by approximately \$6.5 million, while the landfill closure/post-closure liability decreased by approximately \$1.7 million and the net pension liability also decreased by approximately \$2.7 million.

Total net position increased by approximately \$13.3 million from 2021 to 2022.

Restricted net position includes funds held by a trustee (EPA Trust Fund) for closure of the Franklin County Sanitary Landfill net of the accrued liability for closure and post-closure care of the landfill. As of December 31, 2022, the EPA Trust Fund value was approximately \$30.7 million, and the recorded closure liability was approximately \$18.0 million.

There was an increase in unrestricted net position of approximately \$10.1 million.

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# SWACO

## Management's Discussion & Analysis for the Year Ended December 31, 2022 (unaudited)

### Operating Fund Revenues, Expenses and Changes in Net Position

The following table compares 2021 and 2022 revenues, expenses and changes in net position in the Operating Fund.

#### Operating Fund Revenues, Expenses, and Changes in Net Position

|  | <u>2021</u>           | <u>2022</u>           | <u>Increase<br/>(Decrease)</u> |
|--|-----------------------|-----------------------|--------------------------------|
| Operating revenues:                          |                       |                       |                                |
| Tipping and disposal fees                    | \$ 42,771,536         | \$ 43,114,023         | \$ 342,487                     |
| Waste transfer fees                          | 7,224,786             | 7,465,270             | 240,484                        |
| Interfund charges                            | 111,790               | 203,583               | 91,793                         |
| Sale of landfill gas                         | 8,637,278             | 7,783,942             | (853,336)                      |
| Other  | 164,930               | 313,166               | 148,236                        |
|  | <u>58,910,320</u>     | <u>58,879,984</u>     | <u>(30,336)</u>                |
| Operating revenues                           |                       |                       |                                |
| Operating revenues                           | 58,910,320            | 58,879,984            | (30,336)                       |
| Operating expenses:                          |                       |                       |                                |
| Salaries, wages and benefits                 | 5,456,271             | 9,113,647             | 3,657,376                      |
| Contracts, services and supplies             | 12,137,293            | 14,703,999            | 2,566,706                      |
| Solid waste fees                             | 6,029,241             | 6,042,638             | 13,397                         |
| Depreciation/amortization                    | 5,212,372             | 5,123,500             | (88,872)                       |
| Amortization of leases                       | -                     | 86,914                | 86,914                         |
| Landfill depletion                           | 8,659,747             | 7,548,010             | (1,111,737)                    |
| Landfill closing costs                       | 1,812,771             | (1,694,634)           | (3,507,405)                    |
|  | <u>39,307,695</u>     | <u>40,924,074</u>     | <u>1,616,379</u>               |
| Operating expenses                           |                       |                       |                                |
| Operating expenses                           | 39,307,695            | 40,924,074            | 1,616,379                      |
| Operating income                             | <u>19,602,625</u>     | <u>17,955,910</u>     | <u>(1,646,715)</u>             |
| Non-operating revenues (expenses):           |                       |                       |                                |
| Interest expense                             | (2,140,558)           | (1,957,397)           | 183,161                        |
| Investment loss                              | (497,828)             | (2,762,723)           | (2,264,895)                    |
| Grants awarded                               | -                     | 15,800                | 15,800                         |
| Grants received                              | 2,920                 | -                     | (2,920)                        |
| Gain (loss) on disposal of assets            | 61,768                | 29,193                | (32,575)                       |
| Total non-operating revenues (expenses), net | <u>(2,573,698)</u>    | <u>(4,675,127)</u>    | <u>(2,101,429)</u>             |
| Change in net position                       | 17,028,927            | 13,280,783            | (3,748,144)                    |
| Total net position – beginning               | <u>102,078,268</u>    | <u>119,107,195</u>    | <u>17,028,927</u>              |
| Total net position – ending                  | <u>\$ 119,107,195</u> | <u>\$ 132,387,978</u> | <u>\$ 13,280,783</u>           |

## SWACO

### Management's Discussion & Analysis for the Year Ended December 31, 2022 (unaudited)

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Solid waste tons received at SWACO's facilities increased from approximately 1,230,401 tons received during 2021 to approximately 1,238,031 tons received during 2022. Tipping and disposal fees decreased by approximately \$342,000.

Operating Fund sale of landfill gas decreased by approximately \$853,000 in 2022.

Operating Fund expenses for salaries, wages and benefits were approximately \$3.7 million higher in 2022 compared to 2021.

Contracts, services and supplies expenses increased by approximately \$2.6 million in 2022.

Depletion and closure expense decreased by approximately \$4.6 million over prior year. Landfill depletion expense specifically is down approximately \$1.1 million from prior year while closure expense is also down approximately \$3.5 million from prior year due to updated estimates in SWACO's build out model for depletion.

Collectively, operating expenses increased by approximately \$1.6 million, primarily due to the items discussed above.

Non-operating revenues and expenses net to a expense in 2022 of approximately \$4.7 million. This represents a net decrease of approximately \$2.1 million over the prior year, primarily due to a decrease in investment earnings.

SWACO's financial position in the Operating Fund increased by approximately \$13.3 million in 2022, increasing SWACO's net position from approximately \$119.1 million in 2021 to a net position of approximately \$132.4 million at the end of 2022.

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**SWACO****Management's Discussion & Analysis for the Year Ended December 31, 2022  
(unaudited)**

| <b>Program Fund Net Position</b>            |                     |                     |                                |
|---|---------------------|---------------------|--------------------------------|
|   | <b>2021</b>         | <b>2022</b>         | <b>Increase<br/>(Decrease)</b> |
| <b>Assets</b>                               |                     |                     |                                |
| Current assets                              | \$ 8,279,174        | \$ 9,377,863        | \$ 1,098,689                   |
| Capital assets                              | 437,685             | 382,748             | (54,937)                       |
| Net OPEB Asset                              | 84,196              | 168,460             | 84,264                         |
| <b>Total assets</b>                         | <b>8,801,055</b>    | <b>9,929,071</b>    | <b>1,128,016</b>               |
| <b>Deferred outflows of resources</b>       |                     |                     |                                |
| Deferred outflows of resources: pension     | 118,298             | 270,744             | 152,446                        |
| Deferred outflows of resources: OPEB        | 56,907              | 10,972              | (45,935)                       |
| <b>Total deferred outflows of resources</b> | <b>175,205</b>      | <b>281,716</b>      | <b>106,511</b>                 |
| <b>Liabilities</b>                          |                     |                     |                                |
| Current liabilities                         | 822,627             | 697,366             | (125,261)                      |
| Compensated leave                           | 4,460               | 8,480               | 4,020                          |
| Net pension liability                       | 664,540             | 444,565             | (219,975)                      |
| <b>Total liabilities</b>                    | <b>1,491,627</b>    | <b>1,150,411</b>    | <b>(341,216)</b>               |
| <b>Deferred inflows of resources</b>        |                     |                     |                                |
| Deferred inflows of resources: pension      | 324,599             | 551,265             | 226,666                        |
| Deferred inflows of resources: OPEB         | 279,979             | 182,876             | (97,103)                       |
| <b>Total deferred inflows of resources</b>  | <b>604,578</b>      | <b>734,141</b>      | <b>129,563</b>                 |
| <b>Net position</b>                         |                     |                     |                                |
| Net investment in capital assets            | 437,685             | 382,748             | (54,937)                       |
| Restricted                                  | 6,442,370           | 7,943,487           | 1,501,117                      |
| <b>Total net position</b>                   | <b>\$ 6,880,055</b> | <b>\$ 8,326,235</b> | <b>\$ 1,446,180</b>            |

**Program Fund Net Position**

Total net position at the end of 2022, was approximately \$8.3 million, an increase of approximately \$1.4 million, from the prior year. Restricted net position was approximately \$7.9 million, an increase of approximately \$1.5 million. Net position for net investment in capital assets, was approximately \$383,000, a decrease of approximately \$55,000.

**SWACO****Management's Discussion & Analysis for the Year Ended December 31, 2022****(unaudited)****Program Fund Revenues, Expenses, and Changes in Net Position**

|                                    | <u>2021</u>         | <u>2022</u>         | <u>Increase<br/>(Decrease)</u> |
|------------------------------------|---------------------|---------------------|--------------------------------|
| Operating revenues:                |                     |                     |                                |
| Generation fees                    | \$ 6,181,189        | \$ 6,164,989        | \$ (16,200)                    |
| Other                              | 81,602              | 81,114              | (488)                          |
| Operating revenues                 | <u>6,262,791</u>    | <u>6,246,103</u>    | <u>(16,688)</u>                |
| Operating expenses:                |                     |                     |                                |
| Salaries, wages and benefits       | 642,986             | 1,030,359           | 387,373                        |
| Contracts, services and supplies   | 4,041,588           | 3,818,039           | (223,549)                      |
| Depreciation and depletion         | 231,000             | 90,610              | (140,390)                      |
| Interfund charges                  | 111,790             | 203,583             | 91,793                         |
| Operating expenses                 | <u>5,027,364</u>    | <u>5,142,591</u>    | <u>115,227</u>                 |
| Operating income                   | <u>1,235,427</u>    | <u>1,103,512</u>    | <u>(131,915)</u>               |
| Non-operating revenues (expenses): |                     |                     |                                |
| Interest earnings                  | 3,848               | 80,565              | 76,717                         |
| Grants awarded/received            | (249,073)           | 56,730              | 305,803                        |
| Gain (loss) disposal of assets     | -                   | 205,373             | 205,373                        |
| Total non-operating expenses, net  | <u>(245,073)</u>    | <u>342,668</u>      | <u>587,893</u>                 |
| Change in net position             | 990,202             | 1,446,180           | 455,978                        |
| Total net position– beginning      | <u>5,889,853</u>    | <u>6,880,055</u>    | <u>990,202</u>                 |
| Total net position – ending        | <u>\$ 6,880,055</u> | <u>\$ 8,326,235</u> | <u>\$ 1,446,180</u>            |

**Program Fund Revenues, Expenses and Changes in Net Position**

A comparison of 2021 and 2022 revenues and expenses in the Program Fund is shown above.

**Program Fund Operating Revenues**

Generation fees decreased by approximately \$16,000 in 2022 compared to 2021.

**Program Fund Operating Expenses**

Program Fund operating expenses collectively increased by approximately \$115,000 in 2022. Salaries, wages, and benefits increased by approximately \$387,000. Contracts, services, and supplies decreased by approximately \$224,000. Interfund charges increased by approximately \$92,000. Depreciation and depletion decreased by approximately \$140,000.



## **SWACO**

### **Management's Discussion & Analysis for the Year Ended December 31, 2022 (unaudited)**

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#### **Program Fund Non-Operating Income & Expenses**

Non-operating transactions consisted of grant activities, Net Gain of asset disposal and interest earnings. This accounted for an increase of approximately \$588,000, primarily from a gain of sale of an asset in 2022.

Ending net position in the Program Fund increased by approximately \$1.4 million from 2021 to 2022.

#### **Capital Assets**

SWACO's investments in depreciable capital assets include the Sanitary Landfill and related facilities and equipment, two transfer stations, a fleet maintenance facility, a landfill operations facility, the administrative office building and furnishings, and solid waste transfer vehicles and related equipment. Additionally, SWACO owns a 28,000-square foot light manufacturing building which is located at 2512 Jackson Pike which SWACO leases from the City of Columbus. SWACO entered into a capital lease with a recycling company who currently occupies this facility. SWACO also owns land for facilities and buffer area in the vicinity of the landfill.

The increase in capital assets not being depreciated was approximately \$749,000, primarily due to the increase of assets in construction in progress.

The decrease in net capital assets being depreciated or depleted was approximately \$6.5 million in the combined funds due primarily to a to asset disposals and equipment depreciation. The following table on the next page compares SWACO's investments in capital assets in the operating and program funds as of the end of 2021 and 2022.

SWACO is reporting an intangible right of use asset related to technology infrastructure in accordance with GASB No. 87.

\* This space intentionally left blank. \*

**SWACO****Management's Discussion & Analysis for the Year Ended December 31, 2022****(unaudited)**

| <b>Capital Assets</b>  |                      |                   |                                |
|--|----------------------|-------------------|--------------------------------|
| <b>Operating Fund</b>  | <b>Restated 2021</b> | <b>2022</b>       | <b>Increase<br/>(Decrease)</b> |
| Capital assets not being depreciated:                                      |                      |                   |                                |
| Land and land improvements   | \$ 24,206,806        | \$ 24,206,806     | \$ -                           |
| Construction in progress   | 4,666,291            | 5,201,434         | 535,143                        |
| Total capital assets, not being depreciated                                | <u>28,873,097</u>    | <u>29,408,240</u> | <u>535,143</u>                 |
| Depreciable capital assets, net of accumulated depreciation and depletion: |                      |                   |                                |
| Equipment and furnishings  | 8,400,723            | 7,210,670         | (1,190,053)                    |
| Building and improvements  | 7,369,636            | 5,961,075         | (1,408,561)                    |
| Transfer stations  | 6,068,484            | 5,414,039         | (654,445)                      |
| Sanitary landfill  | 50,840,104           | 47,944,184        | (2,895,920)                    |
| Right of use asset   | 1,129,881            | 1,042,967         | (86,914)                       |
| Total capital assets, being depreciated, net                               | <u>73,808,828</u>    | <u>67,572,935</u> | <u>(6,235,893)</u>             |
| Total capital assets, net  | 102,681,925          | 96,981,175        | (5,700,750)                    |
| <b>Program Fund</b>  |                      |                   |                                |
| Capital assets not being depreciated:                                      |                      |                   |                                |
| Construction in progress   | -                    | 213,797           | 213,797                        |
| Total capital assets not being depreciated                                 | <u>-</u>             | <u>213,797</u>    | <u>213,797</u>                 |
| Depreciable capital assets, net of accumulated depreciation:               |                      |                   |                                |
| Equipment and furnishings  | 428,096              | 168,945           | (259,151)                      |
| Building and improvements  | 9,589                | 6                 | (9,583)                        |
| Total capital assets, being depreciated, net                               | <u>437,685</u>       | <u>168,951</u>    | <u>(268,734)</u>               |
| Total capital assets, net  | <u>\$ 437,685</u>    | <u>\$ 382,748</u> | <u>\$ (54,937)</u>             |

SWACO's capital asset activity is discussed in more detail in Note 6 of the financial statements (Capital Assets).

# SWACO

## Management's Discussion & Analysis for the Year Ended December 31, 2022 (unaudited)

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### Debt Administration

SWACO's outstanding debt as of December 31, 2021 and 2022 is shown in the following table:

|                               | Outstanding Long-Term Debt |               | Increase<br>(Decrease) |
|-------------------------------|----------------------------|---------------|------------------------|
|                               | Restated 2021              | 2022          |                        |
| General obligation bonds, net | \$ 65,347,009              | \$ 59,085,802 | \$ (6,261,207)         |
| Lease payable                 | 1,129,881                  | 1,039,696     | (90,185)               |
| Total                         | \$ 66,476,890              | \$ 60,125,498 | \$ (6,351,392)         |

SWACO's ability to issue un-voted general obligation debt is subject to overlapping debt restrictions with other political subdivisions, but there is not a statutory direct debt limit on SWACO's ability to issue general obligation or revenue bonds. SWACO's debt capacity is more limited by market forces and its ability to raise tipping fees to levels required to pay debt service.

SWACO's general obligation bonds carry an AAA rating by Standard and Poor's and an Aaa rating by Moody's Investors Service. SWACO's debt management program is discussed in more detail in Note 10 of the financial statements (Debt Management).

### Economic Factors

Similar to other local governments in Ohio, SWACO continues to face economic pressures. Waste receipts at the Franklin County Sanitary Landfill in 2022 increased slightly in comparison to the prior year.

Solid waste tons received at SWACO's facilities during 2022 were approximately 1,238,031 tons, versus 2021 receipts of 1,230,401 tons.

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of SWACO. SWACO's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined. In addition, the impact on SWACO's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

### Request for Information

This financial report is designed to provide a general overview of SWACO's finances and to show accountability for money received by SWACO. For questions or for additional information regarding this report, write to SWACO, 4239 London-Groveport Road, Grove City, Ohio 43123 or contact Patrick O'Block (614) 801-6415, or by e-mail at [pat.oblock@swaco.org](mailto:pat.oblock@swaco.org).

**SWACO**  
**Statement of Net Position – Proprietary Funds**  
**As of December 31, 2022**

| Assets   | Business-type Activities – Enterprise Funds |              |               |
|--|---|--------------|---------------|
|  | Operating Fund                              | Program Fund | Total         |
| Current assets:  |   |              |               |
| Cash and cash equivalents  | \$15,258,531                                | \$ -         | \$ 15,258,531 |
| Restricted cash  | -   | 8,909,352    | 8,909,352     |
| Investments  | 72,957,228                                  | -            | 72,957,228    |
| Accounts receivable, net   | 5,095,460                                   | 461,062      | 5,556,522     |
| Lease receivable, current portion  | 51,963                                      | -            | 51,963        |
| Other assets   | 723,667                                     | 7,449        | 731,116       |
| Total current assets   | 94,086,849                                  | 9,377,863    | 103,464,712   |
| Non-current assets:  |   |              |               |
| Restricted: held by trustee for landfill closure/post-closure care:      |   |              |               |
| Cash and cash equivalents  | 17,688                                      | -            | 17,688        |
| Investments  | 30,625,916                                  | -            | 30,625,916    |
| Accrued interest receivable  | 87,212                                      | -            | 87,212        |
| Capital assets:  |   |              |               |
| Sanitary landfill, net of accumulated depletion                          | 47,944,184                                  | -            | 47,944,184    |
| Buildings and equipment and furnishings, net of accumulated depreciation | 18,585,784                                  | 168,951      | 18,754,735    |
| Construction in progress   | 5,201,434                                   | 213,797      | 5,415,231     |
| Land and land improvements   | 24,206,806                                  | -            | 24,206,806    |
| Right of use asset   | 1,042,967                                   | -            | 1,042,967     |
| Lease receivable, less current portion                                   | 336,649                                     | -            | 336,649       |
| Net OPEB asset   | 1,516,137                                   | 168,460      | 1,684,597     |
| Total non-current assets   | 129,564,777                                 | 551,208      | 130,115,985   |
| Total assets   | 223,651,626                                 | 9,929,071    | 233,580,697   |
| Deferred outflows of resources:  |   |              |               |
| Refundings   | 1,081,030                                   | -            | 1,081,030     |
| Pension  | 1,935,910                                   | 270,744      | 2,206,654     |
| OPEB   | 102,929                                     | 10,972       | 113,901       |
| Total deferred outflows of resources                                     | \$ 3,119,869                                | \$ 281,716   | \$ 3,401,585  |

Continued on the following page

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

**SWACO**  
**Statement of Net Position – Proprietary Funds**  
**As of December 31, 2022**

| <b>Liabilities</b>   | <u>Business-type Activities – Enterprise Funds</u> |                     |                       |
|--|--|---------------------|-----------------------|
|  | <u>Operating Fund</u>                              | <u>Program Fund</u> | <u>Total</u>          |
| Current liabilities:   |  |                     |                       |
| Accounts payable   | \$ 4,226,083                                       | \$ 580,328          | \$ 4,806,411          |
| Accrued wages and benefits   | 939,527  | 117,038             | 1,056,565             |
| Accrued interest   | 187,934  | -                   | 187,934               |
| Current maturities of bonds and notes payable  | 5,785,000  | -                   | 5,785,000             |
| Lease payable, current portion   | 81,030   | -                   | 81,030                |
| Other payables   | 400  | -                   | 400                   |
| Total current liabilities  | <u>11,219,974</u>                                  | <u>697,366</u>      | <u>11,917,340</u>     |
| Non-current liabilities:   |  |                     |                       |
| Bonds and notes payable, less current portion, net   | 53,300,802   | -                   | 53,300,802            |
| Landfill closure/post-closure liability  | 18,043,003   | -                   | 18,043,003            |
| Compensated leave  | 61,477   | 8,480               | 69,957                |
| Lease payable, less current portion  | 958,666  | -                   | 958,666               |
| Net pension liability  | 4,001,081  | 444,565             | 4,445,646             |
| Total non-current liabilities  | <u>76,365,029</u>                                  | <u>453,045</u>      | <u>76,818,074</u>     |
| Total liabilities  | <u>87,585,003</u>                                  | <u>1,150,411</u>    | <u>88,735,414</u>     |
| Deferred inflows of resources:   |  |                     |                       |
| Pension  | 4,846,896  | 551,265             | 5,398,161             |
| OPEB   | 1,566,479  | 182,876             | 1,749,355             |
| Leases   | 385,139  | -                   | 385,139               |
| Total deferred inflows of resources  | <u>6,798,514</u>                                   | <u>734,141</u>      | <u>7,532,655</u>      |
| <b>Net Position</b>  |  |                     |                       |
| Net investment in capital assets:  |  |                     |                       |
| Other capital assets, net  | 38,548,918   | 382,748             | 38,931,666            |
| Restricted:  |  |                     |                       |
| Restricted for solid waste plan  | -  | 7,943,487           | 7,943,487             |
| Closure/post-closure trust fund net of accrued liability – Franklin County Sanitary Landfill | 12,687,870   | -                   | 12,687,870            |
| Unrestricted   | 81,151,190   | -                   | 81,151,190            |
| Total net position   | <u>\$ 132,387,978</u>                              | <u>\$ 8,326,235</u> | <u>\$ 140,714,213</u> |

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

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

|   | <u>Business-type Activities – Enterprise Funds</u> |                         |                       |
|---|--|-------------------------|-----------------------|
|   | <u>Operating<br/>Fund</u>                          | <u>Program<br/>Fund</u> | <u>Total</u>          |
| <b>Operating revenues:</b>                |  |                         |                       |
| Tipping and disposal fees                 | \$ 43,114,023                                      | \$ -                    | \$ 43,114,023         |
| Waste transfer fees                       | 7,465,270  | -                       | 7,465,270             |
| Generation fees                           | -  | 6,164,989               | 6,164,989             |
| Interfund charges                         | 203,583  | -                       | 203,583               |
| Sale of landfill gas                      | 7,783,942  | -                       | 7,783,942             |
| Other                                     | 313,166  | 81,114                  | 394,280               |
|   | <u>58,879,984</u>                                  | <u>6,246,103</u>        | <u>65,126,087</u>     |
| <b>Operating expenses:</b>                |  |                         |                       |
| Salaries, wages and benefits              | 9,113,647  | 1,030,359               | 10,144,006            |
| Contracts, services and supplies          | 14,703,999   | 3,818,039               | 18,522,038            |
| Solid waste fees                          | 6,042,638  | -                       | 6,042,638             |
| Depreciation                              | 5,123,500  | 90,610                  | 5,214,110             |
| Amortization of leases                    | 86,914   | -                       | 86,914                |
| Landfill depletion                        | 7,548,010  | -                       | 7,548,010             |
| Landfill closing costs                    | (1,694,634)  | -                       | (1,694,634)           |
| Interfund charges                         | -  | 203,583                 | 203,583               |
|   | <u>40,924,074</u>                                  | <u>5,142,591</u>        | <u>46,066,665</u>     |
| Operating income                          | <u>17,955,910</u>                                  | <u>1,103,512</u>        | <u>19,059,422</u>     |
| <b>Non-operating revenues (expenses):</b> |  |                         |                       |
| Interest expense                          | (1,957,397)  | -                       | (1,957,397)           |
| Investment income (loss)                  | (2,762,723)  | 80,565                  | (2,682,158)           |
| Grants received                           | 15,800   | 56,730                  | 72,530                |
| Gain on disposal of assets                | 29,193   | 205,373                 | 234,566               |
|   | <u>(4,675,127)</u>                                 | <u>342,668</u>          | <u>(4,332,459)</u>    |
| Total non-operating expenses, net         | <u>(4,675,127)</u>                                 | <u>342,668</u>          | <u>(4,332,459)</u>    |
| Change in net position                    | 13,280,783   | 1,446,180               | 14,726,963            |
| Total net position – beginning            | <u>119,107,195</u>                                 | <u>6,880,055</u>        | <u>125,987,250</u>    |
| Total net position – ending               | <u>\$ 132,387,978</u>                              | <u>\$ 8,326,235</u>     | <u>\$ 140,714,213</u> |

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

**SWACO**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Year Ended December 31, 2022**

|   | <u>Business-type Activities – Enterprise Funds</u> |                         |                        |
|---|--|-------------------------|------------------------|
|   | <u>Operating<br/>Fund</u>                          | <u>Program<br/>Fund</u> | <u>Total</u>           |
| <b>Cash flows from operating activities:</b>                              |  |                         |                        |
| Receipts from customers   | \$ 50,407,347                                      | \$ -                    | \$ 50,403,347          |
| Generation fees collected   | -  | 6,223,868               | 6,223,868              |
| Sale of landfill gas  | 8,495,938  | -                       | 8,495,938              |
| Other receipts  | 313,166  | 81,114                  | 394,280                |
| Payments to or on behalf of employees for<br>salaries, wages and benefits | (11,645,621)                                       | (1,323,050)             | (12,968,671)           |
| Payments to vendors   | (22,177,530)                                       | (3,929,783)             | (26,107,313)           |
| Interfund charges   | 203,582  | (203,582)               | -                      |
| Other expenses  | -  | (15)                    | (15)                   |
|   | <u>25,596,882</u>                                  | <u>848,552</u>          | <u>26,445,434</u>      |
| <b>Cash flows from non-capital financing activities:</b>                  |  |                         |                        |
| Grants received   | 18,720   | 101,661                 | 120,381                |
| Grants awarded  | -  | (40,552)                | (40,552)               |
| Net cash (used in) non-capital financing<br>activities                    | <u>18,720</u>                                      | <u>61,109</u>           | <u>79,829</u>          |
| <b>Cash flows from investing activities:</b>                              |  |                         |                        |
| Proceeds from sales and maturities of investments                         | 24,771,833   | -                       | 24,771,833             |
| Purchase of investments   | (56,308,671)                                       | -                       | (56,308,671)           |
| Interest received   | 877,544  | 80,565                  | 958,109                |
| Net cash provided by (used in) investing<br>activities                    | <u>(\$ 30,659,294)</u>                             | <u>\$ 80,565</u>        | <u>(\$ 30,578,729)</u> |

**Continued on the following page**

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

**SWACO**  
**Statement of Cash Flows – Proprietary Funds**  
**For the Year Ended December 31, 2022**

|   | Operating<br>Fund           | Program<br>Fund          | Total                       |
|---|-----------------------------|--------------------------|-----------------------------|
| <b>Cash flows from capital and related financing activities:</b>                        |                             |                          |                             |
| Proceeds from sale of assets  | \$ 115,489                  | \$ 383,497               | \$ 498,986                  |
| Landfill, facilities and equipment additions  | (7,143,970)                 | (213,797)                | (7,357,767)                 |
| Principal paid on bonds and notes payable   | (5,550,000)                 | -                        | (5,550,000)                 |
| Principal paid on leases  | (90,185)                    | -                        | (90,185)                    |
| Interest paid and cost on debt refunded   | (2,495,739)                 | -                        | (2,495,739)                 |
| Net cash (used in) provided by capital and related financing activities                 | <u>(15,164,405)</u>         | <u>169,700</u>           | <u>(14,994,705)</u>         |
| Net increase (decrease) in cash and cash equivalents                                    | (20,208,098)                | 1,159,927                | (19,048,171)                |
| Cash and cash equivalents, beginning of year  | <u>35,484,317</u>           | <u>7,749,425</u>         | <u>43,233,742</u>           |
| Cash and cash equivalents, end of year  | <u><u>15,276,219</u></u>    | <u><u>8,909,352</u></u>  | <u><u>24,185,571</u></u>    |
| <b>Reconciliation of operating income to net cash provided by operating activities:</b> |                             |                          |                             |
| Operating income  | 17,955,910                  | 1,103,512                | 19,059,422                  |
| Adjustments to reconcile operating income to net cash provided by operating activities: |                             |                          |                             |
| Depreciation, depletion and amortization  | 12,758,424                  | 90,610                   | 12,849,034                  |
| Landfill closing costs  | (1,694,634)                 | -                        | (1,694,634)                 |
| Increase (decrease) in cash resulting from changes in:                                  |                             |                          |                             |
| Accounts receivable, net  | 540,049                     | 58,880                   | 598,929                     |
| Accounts payable  | (1,279,243)                 | (109,738)                | (1,388,981)                 |
| Accrued wages and benefits  | 41,891                      | (11,504)                 | 30,387                      |
| Deferred outflows: pension  | (640,202)                   | (152,446)                | (792,648)                   |
| Deferred outflows: OPEB   | 555,665                     | 45,935                   | 601,600                     |
| Net pension liability   | (2,718,152)                 | (219,975)                | (2,938,127)                 |
| OPEB liability  | (664,825)                   | (84,264)                 | (749,089)                   |
| Deferred inflows: pension   | 1,944,536                   | 226,666                  | 2,171,202                   |
| Deferred inflows: OPEB  | (1,050,887)                 | (97,103)                 | (1,147,990)                 |
| Other assets and liabilities  | (151,650)                   | (2,021)                  | (153,671)                   |
| Net cash provided by operating activities   | <u><u>\$ 25,596,882</u></u> | <u><u>\$ 848,552</u></u> | <u><u>\$ 26,445,434</u></u> |

**Non-cash capital and related financing activities (Operating Fund):**

Amortization of premiums on bonds payable during the year totaled \$ 711,207.

Bond defeasements net of amortization during the year totaled \$ (192,024).

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



# SWACO

## Notes to Financial Statements

### For the Year Ended December 31, 2022

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#### 1. Organization

The Solid Waste Authority of Central Ohio (SWACO) is a political subdivision of the State of Ohio, established in 1989 to develop and implement a comprehensive solid waste management plan for the Franklin County Solid Waste Management District (the “District,” principally Franklin County, but also including parts of five adjacent counties). SWACO is governed by a nine-member Board of Trustees appointed pursuant to statute. The Board consists of two members appointed by the Franklin County Board of County Commissioners (the “County”), two members appointed by the City of Columbus (the “City”), and additional members representing the County Board of Health, townships within SWACO, waste generators and the general public. As a governmental authority, SWACO is exempt from federal, state and local taxes. SWACO operates autonomously from the County and City, and the County and City have no financial responsibility for the operations of SWACO.

SWACO operates a sanitary landfill (the “Sanitary Landfill”) and two solid waste transfer facilities supported by tipping fees charged for solid waste disposal and transfer services at these facilities. SWACO also provides recycling programs, yard waste composting services, public education programs, and other activities designed to reduce the generation and disposal of solid waste within SWACO's jurisdiction. SWACO's waste-reduction activities are supported by a \$5.00 per ton waste Generation Fee levied on a majority of solid waste generated within the District.

The Sanitary Landfill was purchased from Franklin County in 1991. The Ohio Environmental Protection Agency (“OEPA”) approved a modification to the original County permit in 1997 increasing disposal capacity by approximately 49 million cubic yards (from 10.7 million cubic yards) and increasing the landfill acreage to 363 acres from approximately 116 acres. The modified permit allowed both vertical and horizontal expansion of the landfill. In 2008, SWACO submitted an application to the OEPA to further modify the permit to change the configuration of the landfill and further increase capacity. The modification was approved by the OEPA in 2009 and added approximately 3.5 million cubic yards of disposal capacity (see Note 5 – Closure/Post-closure Funds Held by Trustee). In 2018, SWACO received a new permit-to-install which allowed more airspace for disposal. SWACO estimates that it has sufficient landfill capacity to service the needs of the District for at least 40.0 years based on 2022 receipts.

As part of the purchase of the currently operating landfill, SWACO also acquired the Model Landfill, the County's closed former landfill. The Model Landfill has been closed since 1985, and SWACO assumed ongoing monitoring and closure requirements for the landfill when it was transferred from the County. In 1999, SWACO leased the landfill to a private entity to develop a public golf course on the site in conjunction with a project to remediate the landfill cap. On January 15, 2014, SWACO entered into an asset purchase agreement with Phoenix Golf Links, Ltd. to acquire all their operating assets located at SWACO's closed Model Landfill. The assets were purchased for \$2,375,000 and a related Model Landfill lease agreement was terminated at the same time. The golf course operation was closed in March 2015 due to declining revenue and excess costs.

SWACO derives its revenue principally from fees levied on the disposal of solid waste. SWACO collects these fees in two ways: 1) tipping fees charged for solid waste disposal and waste transfer services provided at SWACO facilities; and 2) fees assessed on all solid waste generated within the District. These fees are established pursuant to authorization within the Ohio Revised Code (“ORC”) and agreements established with private landfill owners. SWACO had one customer which accounted for approximately 28.8% of SWACO's total operating revenues for the year ended December 31, 2022. The customer accounted for approximately 29.9% of accounts receivable, trade at December 31, 2022.

# SWACO

## Notes to Financial Statements

### For the Year Ended December 31, 2022

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The accompanying financial statements comply with the provisions of Governmental Accounting Standards Board (GASB) Statement No. 14, *The Financial Reporting Entity*, and Statement No. 39, *Determining Whether Certain Organizations Are Component Units*, in that the statements include all organizations, activities, and functions for which SWACO (the reporting entity) is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization, and either SWACO's ability to impose its will over the organization's governing body or the possibility that the organization will provide a financial benefit to, or impose a financial burden on, SWACO. There are no potential component units that meet the criteria imposed by GASB Statement No. 14 or GASB Statement No. 39 included in SWACO's reporting entity.

## 2. Summary of Significant Accounting Policies

The significant accounting policies followed in preparation of these financial statements are summarized below. The accounting policies and financial reporting practices of SWACO conform to accounting principles generally accepted in the United States of America for governmental units as prescribed in the statements issued by the Governmental Accounting Standards Board (GASB) and other recognized authoritative sources.

*Measurement focus and basis of accounting:* SWACO's funds are accounted for on a flow of economic resources measurement focus, and the financial statements have been prepared on the accrual basis of accounting. Accordingly, revenue is recognized when earned, and expenses are recorded when incurred.

*Proprietary Fund:* SWACO operates as an enterprise fund. Enterprise funds are used to account for the costs of providing goods or services to the general public on a continuing basis which are financed or recovered primarily through user charges or to report any activity for which a fee is charged to external users for goods or services, regardless of whether the government intends to fully recover the cost of the goods or services provided.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of SWACO are charges to customers for disposal services.

*Basis of presentation:* SWACO reports the following major proprietary funds:

The *Operating Fund* receives all income derived from the operations of SWACO's landfill and waste transfer facilities including tipping fees, waste transfer fees, investment income, and certain other revenues. Revenues are used to support the operations of SWACO's solid waste facilities and to pay certain costs of discontinued operations of SWACO. Operating Fund revenues are derived primarily from rates and charges established pursuant to ORC Section 343.08.

The *Program Fund* receives Generation Fees authorized by ORC Section 3734.57 paid on waste generated in the Solid Waste District and disposed of at SWACO's landfill or out-of-district landfills. Revenues are used only to support solid waste recycling, reuse, and reduction programs operated by SWACO in support of SWACO's solid waste plan. Interfund charges shown in the Program Fund under operating expenses are comprised of charges to the Program Fund for administrative and operational support.

# SWACO

## Notes to Financial Statements

### For the Year Ended December 31, 2022

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*Cash and cash equivalents:* SWACO considers all highly liquid debt instruments with a maturity of three months or less when purchased to be cash equivalents. SWACO follows GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, and discloses custodial, credit, and interest rate risks associated with cash and investments. The Statement of Cash Flows includes cash and cash equivalents except for restricted cash and cash equivalents held by the trustee for the landfill closure/post-closure care.

*Investments:* In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments are carried at fair value, including accrued interest receivable. Unrealized gains and losses resulting from changes in fair value are reported as adjustments to investment income. SWACO does not invest in any form of derivatives or reverse repurchase agreements. SWACO's cash and investments are discussed in more detail in Note 3 (Cash and Investments).

*Accounts receivable:* SWACO extends credit to public and private customers of the landfill, transfer stations, and other SWACO facilities and reports amounts owed to SWACO net of any allowance for bad debts. As of December 31, 2022, the allowance for bad debt was zero. Accounts receivable also includes amounts owed by private transfer stations and landfills for solid waste received at the facilities, generated within the boundaries of SWACO and subject to the Generation Fee.

*Restricted Assets:* As discussed further in Note 4 (Restricted Assets), certain SWACO assets are restricted for debt service, capital projects, by State law, or for other purposes. When both restricted and unrestricted resources are available for a particular purpose, it is SWACO's discretion to use restricted resources first.

*Landfill and Property, Plant, and Equipment:* SWACO records asset acquisitions at cost and provides for depreciation in amounts adequate to amortize cost over the estimated useful lives of the assets using a straight-line method for financial reporting purposes, except for its landfill, which is depleted using a units-of-production method. The cost of buildings and equipment is depreciated using a straight-line method over their estimated useful lives of 10 to 20 years for buildings and 5 to 10 years for equipment. The capitalization threshold for capital assets is \$10,000. Maintenance, repairs and minor renewals are charged to expense as incurred, while major renewals and betterments are capitalized. The cost and related accumulated depreciation of assets sold or otherwise disposed of are removed from the related accounts, and resulting gains or losses are reflected in income.

*Right of Use Assets:* SWACO is reporting intangible right to use assets related to technology infrastructure. This intangible asset is being amortized in a systemic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

*Impairment of capital assets:* SWACO will review a capital asset for possible impairment when events or changes in circumstances suggest that the service utility of the capital asset may have significantly and unexpectedly declined. If it is determined that the service utility has significantly declined and that decline is unexpected, then SWACO will declare the asset impaired. The amount of impairment is determined by management based on a variety of factors including the asset's carrying value and the potential cash flows expected to be generated from that asset.

# SWACO

## Notes to Financial Statements

### For the Year Ended December 31, 2022

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*Vacation and sick leave:* A liability for vacation and sick leave is included in accrued wages and benefits. In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, this liability includes accumulated vacation time and vested sick leave computed using employee wage rates in effect at December 31, 2022.

*Bond premiums:* Bond premiums are included in bonds payable and are amortized over the term of the bonds using the effective interest rate method.

*Bond issuance cost and deferred amounts on refundings:* Bond issuance costs are expensed when incurred. Deferred amounts on refundings are recorded as a deferred outflow, and are amortized using the effective interest rate method over the remaining life of the old debt or the life of the new debt, whichever is shorter.

*Net Position:* Net position represents the difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. *Net investment in capital assets* consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for acquisition, construction or improvements of those assets. Any unspent capital related to debt proceeds does not reduce *Net investment in capital assets*. Net position is reported as restricted when there are external restrictions imposed on their use, either contractually, by debt covenant, or by statute.

*Use of estimates:* The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

*Reclassification:* Certain prior year amounts have been reclassified for consistency with the current year presentation. These reclassifications had no effect on the reported results.

*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 represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense) until then. For SWACO, deferred outflows of resources are reported on the statement of net position for pension (explained in Note 8 - Net Pension Liability), OPEB (explained in Note 9 - Defined Benefit OPEB Plans), and debt refundings. 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 SWACO, deferred inflows of resources are reported on the statement of net position for pension and OPEB explained in Notes 8 and 9, respectively. The deferred inflows related to leases are explained in Note 7.

*Refundings:* The issuance of refunding bonds resulted in a difference between the acquisition cost and the net carrying amount. This difference, reported in the financial statements as a deferred outflow of resources, is being amortized over the life of the bonds. More explanation is included in Note 10 (Debt Management).

# SWACO

## Notes to Financial Statements

### For the Year Ended December 31, 2022

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*Pensions/Other Postemployment Benefits (OPEB):* For purposes of measuring the net pension/OPEB liability, 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 position have been determined on the same basis as they are reported by the pension/OPEB plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. The pension/OPEB plans report investments at fair value.

*Implementation of New Accounting Principles:* For the year ended December 31, 2022, SWACO has implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, GASB Statement No. 91, *Conduit Debt Obligations*, GASB Statement No. 92, *Omnibus 2020*, a certain provision of GASB Statement No. 93, *Replacement of Interbank Offered Rates*, certain provisions of GASB Statement No. 97, *Component Unit Criteria and Deferred Compensation Plans*, and certain provisions of GASB Statement No. 99, *Omnibus 2022*.

GASB Statement No. 87 requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. These changes were incorporated in SWACO's 2022 financial statements; however, there was no effect on beginning net position.

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of SWACO.

GASB Statement No. 92 enhances comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The implementation of GASB Statement No. 92 did not have an effect on the financial statements of SWACO.

GASB Statement No. 93 addresses accounting and financial reporting effects that result from the replacement of interbank offered rates (IBORs) with other reference rates in order to preserve the reliability, relevance, consistency, and comparability of reported information. The implementation of paragraph 11b of GASB Statement No. 93 did not have an effect on the financial statements of SWACO.

GASB Statement No. 97 results in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The implementation of certain provisions of GASB Statement No. 97 (all except paragraphs 4 and 5) did not have an effect on the financial statements of SWACO.

# SWACO

## Notes to Financial Statements

### For the Year Ended December 31, 2022

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GASB Statement No. 99 enhances comparability in accounting and financial reporting and improves the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of certain provisions of GASB Statement No. 99 that relate to extension of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, and pledges of future revenues by pledging governments, did not have an effect on the financial statements of SWACO.

### 3. Cash and Investments

SWACO pools its cash and investments except for funds held by a trustee for landfill closure/post-closure care and funds held in escrow.

*Deposits:* Protection of SWACO'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.

*Investments:* SWACO has adopted a formal investment policy in accordance with Section 135 of the ORC, the "Uniform Depository Act." Safety of principal is the foremost objective of the investment policy. Maintaining sufficient liquidity to meet SWACO's cash flow needs and return on investment are secondary goals of the policy. SWACO does not purchase any form of derivative.

In accordance with the ORC and SWACO's investment policy, SWACO is authorized to invest in: 1) bonds, notes, or other obligations of, or guaranteed by, the United States, or those for which the faith of the United States is pledged for the payment of principal and interest; 2) bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality; 3) certificates of deposit purchased from qualified banks and savings and loans; 4) bond and other obligations of the State of Ohio; 5) no-load money market mutual funds consisting exclusively of obligations described in division (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; 6) the State Treasury Asset Reserve of Ohio managed by the Treasurer of the State of Ohio (STAR Ohio); and 7) subject to certain restrictions and limitations, short-term commercial paper and bankers acceptances.

During 2022, SWACO invested in STAR Ohio. 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*. SWACO 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. Financial information may be obtained by visiting <http://www.tos.ohio.gov/starohio/>.

## SWACO

### Notes to Financial Statements

### For the Year Ended December 31, 2022

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For 2022, there were no limitations or restrictions on any participant withdrawals due to redemption notice periods, liquidity fees, or redemption gates. However, notice must be given 24 hours in advance of all deposits and withdrawals exceeding \$100 million. STAR Ohio reserves the right to limit the transaction to \$250 million, requiring the excess amount to be transacted the following business day(s), but only to the \$250 million limit. All accounts of the participant will be combined for these purposes.

*Money Market Mutual Funds:* The Money Market Mutual Funds consist of overnight investments with a financial institution in an open-end, institutional money market fund complying with SEC Rule 2a-7 and investing only in U.S. government or agency securities pursuant to SWACO's investment policy. In accordance with the provisions of GASB Statement No. 31 these amounts are classified as investments but are not categorized.

*Interest Rate Risk:* It is SWACO's policy to manage interest rate risk by targeting the duration of the portfolio. Management of interest rate risk is an integral part of an overall process that addresses total return, reinvestment risk, interest rate risk and credit risk.

*Credit Risk:* It is SWACO's policy to invest only in securities rated in the highest rating category (AAA/Aaa or A-1+/P-1/F1+) by at least one of the nationally recognized rating agencies (Standard & Poor's, Moody's Investors Service, and Fitch). SWACO's investment in federal agency coupon or discount securities meet these criteria. Investments in U.S. Agencies and the money market funds were rated AAA and AAAM, respectively, by S&P Global Ratings and Aaa by Moody's Investor Services. STAR Ohio was rated AAAM by S&P Global ratings. Negotiable certificates of deposit are fully covered by FDIC. Investments in U.S. government treasury securities are not considered to have credit risk.

The chart on the next page summarizes SWACO's cash and investments at fair value as of December 31, 2022:

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

**Cash and Investments at December 31, 2022**

| <u>Operating and Program Funds</u>     | Measurement        | Maturity in Years |                   |
|--|--------------------|-------------------|-------------------|
|  | Value              | Less than 1       | 1 to 4            |
| Carrying amount of deposits            | \$ 11,496,947      | \$ 11,496,947     | \$ -              |
| Commercial paper                       | 7,715,274          | 7,715,274         | -                 |
| Federal agency securities              | 57,337,507         | 6,780,430         | 50,557,077        |
| Negotiable certificates of deposit     | 7,040,288          | 2,204,762         | 4,835,526         |
| Municipal Bonds                        | 864,159            | 864,159           | -                 |
| Money market mutual funds/sweep acct.  | 41,478             | 41,478            | -                 |
| Cash on hand                           | 600                | 600               | -                 |
| STAR Ohio                              | 7,839,205          | 7,839,205         | -                 |
| STAR Ohio Program Fund                 | 4,789,653          | 4,789,653         | -                 |
|  | <u>97,125,111</u>  | <u>41,732,508</u> | <u>55,392,603</u> |
| <u>Closure/Post-closure Trust Fund</u> |                    |                   |                   |
| Money market mutual funds              | 17,688             | 17,688            | -                 |
| Federal agency securities              | 24,028,295         | 3,491,188         | 20,537,107        |
| Commercial paper                       | 1,325,832          | 1,325,832         | -                 |
| Negotiable certificates of deposit     | 4,300,683          | 3,843,273         | 457,410           |
| Municipal Bonds                        | 971,106            | -                 | 971,106           |
|  | <u>30,643,604</u>  | <u>8,677,981</u>  | <u>21,965,623</u> |
| Total                                  | <u>127,768,715</u> | <u>50,410,489</u> | <u>77,358,226</u> |

**Reconciliation of Cash and Investments to Statement of Net Position**

| <u>Per Statement of Net Position</u>        | Operating Fund       | Program Fund        | Total                 |
|---|----------------------|---------------------|-----------------------|
| Cash and cash equivalents                   | 15,258,531           | -                   | 15,258,531            |
| Restricted cash                             | -                    | 8,909,352           | 8,909,352             |
| Investments                                 | 72,957,228           | -                   | 72,957,228            |
| Closure/post-closure funds held by trustee: |                      |                     |                       |
| Cash and cash equivalents (non-current)     | 17,688               | -                   | 17,688                |
| Investments (non-current)                   | 30,625,916           | -                   | 30,625,916            |
| Total                                       | <u>\$118,859,363</u> | <u>\$ 8,909,352</u> | <u>\$ 127,768,715</u> |

*Concentration of Credit Risk:* SWACO will diversify investments by security type and institution limiting investment in any one non-treasury or non-U.S. Government Agency issuer to twenty-five percent (25%) of the market value of the portfolio. As of December 31, 2022, no single issuer outside of Treasury or U.S. Government Agency securities exceeded the 25% limit.



# SWACO

## Notes to Financial Statements

### For the Year Ended December 31, 2022

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SWACO 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 above table identifies SWACO's recurring fair value measurements as of December 31, 2022. SWACO's 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).

As further discussed in Note 4 (Restricted Assets), cash in the amount of \$8,909,352 in the Program Fund were restricted at December 31, 2022, for debt service, capital projects, by State law, or for other purposes.

#### 4. Restricted Assets/Net Position

*Operating Fund:* Restricted cash in the Operating Fund represents debt service accounts, capital improvement accounts (bond proceeds) and assets held by trustee (Note 5) for landfill closure/post-closure care. Restricted net position of \$12,687,870 represents amounts restricted for landfill closure and post-closure care costs further explained in Note 11.

*Program Fund:* Restricted cash in the Program Fund is unexpended Generation Fees collected by SWACO that are restricted by State statute for the purpose of solid waste recycling, reuse, and reduction programs and implementation of SWACO's solid waste plan. Restricted Net Position of \$7,943,487 represents amounts restricted for future support of SWACO's solid waste plan.

#### 5. Closure/Post-Closure Funds Held by Trustee

In 1995, SWACO established a trust fund (the "Fund") with U.S. Bank for the benefit of the OEPA under OEPA rules applicable to SWACO requiring the owner or operator of a solid waste facility to provide financial assurance that funds will be available when needed for final closure, post-closure care, and/or corrective measures of the facility when the landfill stops accepting waste (either when at maximum capacity or if closed for other reasons). The amount to be funded for the financial assurance instrument, which is established in the landfill permit, and is subject to change due to inflation or other factors, is based on the maximum exposure of unclosed landfill area allowed in the permit and is calculated differently than SWACO's Landfill Closure Cost estimate for purposes of GASB Statement No. 18 (see Note 11 – Landfill Closure and Post-Closure Care Costs). The amount to be funded for the financial assurance estimate is paid in annual installments, called pay-in periods. Annual payments are made by SWACO and are calculated by dividing the financial assurance requirement less cash and investments in the Fund as of the calculation date by the number of years remaining in the pay-in period (nineteen years as of December 31, 2022).

The required Fund payment due and paid in May 2023 was approximately \$1,006,000.

The Fund is restricted by the Director of the OEPA, and SWACO invests in those securities authorized by the ORC and SWACO's investment policy (see Note 3 – Cash and Investments).

All amounts earned by the investments are reinvested in the Fund.

# SWACO

## Notes to Financial Statements

### For the Year Ended December 31, 2022

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#### 6. Capital Assets

The sanitary landfill and buildings and equipment are stated at cost and updated for the cost of additions and retirements during the year. It is SWACO's policy to capitalize items costing more than \$10,000 with a useful life greater than one year.

The cost of buildings and equipment is depreciated using a straight-line method over their estimated useful lives of 10 to 20 years for buildings and 5 to 10 years for equipment.

Landfill development costs (land acquisition, engineering, construction and other direct costs associated with the permitting, development, and construction of landfill capacity) are capitalized and depleted based on the percentage of permitted capacity used during the year. Depletion is calculated based on cubic yards of solid waste disposed and placed in the landfill as measured through an annual aerial survey. Costs associated with development of the entire landfill, including cell construction, are depleted based on the percentage of total permitted capacity used (approximately 29.6% as of December 31, 2022).

Depletion expense decreased by approximately \$1.1 million while closure expense is also down approximately \$3.5 million from prior year.

Construction in progress primarily consists various projects throughout SWACO that include an enterprise resource planning system, landfill site development, and other projects.

SWACO reports a right of use asset in accordance with GASB No. 87 for leased technology infrastructure assets.

As of the end of 2022, SWACO estimates total landfill development costs at approximately \$269.3 million, including approximately \$131.1 million expended through 2022 (including construction in progress) and approximately \$138.2 million estimated future costs to be expended over the remaining life of the landfill. SWACO recognized total accumulated depletion of \$79.7 million as of December 31, 2022, leaving an estimate of \$189.6 million in depletion expense over the remaining life of the landfill.

A summary of capital assets at December 31, 2022, is shown on the following page.

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

**Summary of Capital Assets at December 31, 2022**

| <b>Operating Fund</b>                                     | <b>Restated-<br/>Beginning<br/>Balance</b> | <b>Increases</b> | <b>Decreases</b> | <b>Ending<br/>Balance</b> |
|---|--|------------------|------------------|---------------------------|
| Capital assets, not being depreciated:                    |  |                  |                  |                           |
| Land  | \$ 24,206,806                              | \$ -             | \$ -             | \$ 24,206,806             |
| Construction in progress                                  | 4,666,291                                  | 5,274,340        | (4,739,197)      | 5,201,434                 |
| <br>  |  |                  |                  |                           |
| Total capital assets, not being depreciated               | 28,873,097                                 | 5,274,340        | (4,739,197)      | 29,408,240                |
| <br>  |  |                  |                  |                           |
| Capital assets, being depreciated/depleted/amortized      |  |                  |                  |                           |
| Equipment and furnishings                                 | 30,794,758                                 | 1,883,612        | (1,505,941)      | 31,172,429                |
| Building and improvements                                 | 21,175,577                                 | 34,853           | (54,496)         | 21,155,934                |
| Transfer stations   | 15,234,810                                 | 38,272           | (596,875)        | 14,676,207                |
| Sanitary landfill   | 123,005,403                                | 4,652,090        | -                | 127,657,493               |
| Right of use asset (intangible)                           | 1,129,881                                  | -                | -                | 1,129,881                 |
| <br>  |  |                  |                  |                           |
| Total capital assets, being depreciated/depleted          | 191,340,429                                | 6,608,827        | (2,157,312)      | 195,791,944               |
| <br>  |  |                  |                  |                           |
| Less accumulated depreciation/depletion/amortization for: |  |                  |                  |                           |
| Equipment and furnishing                                  | (22,394,035)                               | (3,069,892)      | 1,502,168        | (23,961,759)              |
| Building and improvements                                 | (13,805,941)                               | (1,420,253)      | 31,335           | (15,194,859)              |
| Transfer stations   | (9,166,326)                                | (633,355)        | 537,513          | (9,262,168)               |
| Sanitary landfill   | (72,165,299)                               | (7,548,010)      | -                | (79,713,309)              |
| Right of use asset (intangible)                           | -  | (86,914)         | -                | (86,914)                  |
| <br>  |  |                  |                  |                           |
| Total accumulated depreciation/depletion/amortization     | (117,531,601)                              | (12,758,424)     | 2,071,016        | (128,219,009)             |
| <br>  |  |                  |                  |                           |
| Total capital assets, being deprec. /depl./ amort. net    | 73,808,828                                 | (6,149,597)      | (86,296)         | 67,572,935                |
| <br>  |  |                  |                  |                           |
| Total capital assets, net                                 | 102,681,925                                | (875,257)        | (4,825,493)      | 96,981,175                |
| <br>  |  |                  |                  |                           |
| <b>Program Fund</b>                                       | <b>Beginning<br/>Balance</b>               | <b>Increases</b> | <b>Decreases</b> | <b>Ending<br/>Balance</b> |
| Capital assets not being depreciated:                     |  |                  |                  |                           |
| Construction in progress                                  | -  | 213,797          | -                | 213,797                   |
| <br>  |  |                  |                  |                           |
| Total capital assets not being depreciated                | -  | 213,797          | -                | 213,797                   |
| <br>  |  |                  |                  |                           |
| Capital assets, being depreciated:                        |  |                  |                  |                           |
| Equipment and furnishings                                 | 991,265                                    | -                | (362,005)        | 629,260                   |
| Building and improvements                                 | 1,207,209                                  | -                | (57,228)         | 1,149,981                 |
| <br>  |  |                  |                  |                           |
| Total capital assets, being depreciated                   | 2,198,474                                  | -                | (419,233)        | 1,779,241                 |
| <br>  |  |                  |                  |                           |
| Less accumulated depreciation for:                        |  |                  |                  |                           |
| Equipment and furnishing                                  | (563,169)                                  | (81,027)         | 183,881          | (460,315)                 |
| Building and improvements                                 | (1,197,620)                                | (9,583)          | 57,228           | (1,149,975)               |
| <br>  |  |                  |                  |                           |
| Total accumulated depreciation                            | (1,760,789)                                | (90,610)         | 241,109          | (1,610,290)               |
| <br>  |  |                  |                  |                           |
| Total capital assets, being depreciated, net              | 437,685                                    | (90,610)         | (178,124)        | 168,951                   |
| <br>  |  |                  |                  |                           |
| Total capital assets, net                                 | \$ 437,685                                 | \$ 123,187       | \$ (178,124)     | \$ 382,748                |

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

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**7. Lease Receivable**

On January 1, 2012, SWACO leased a building it owns, on property owned by the City of Columbus, to a third party. The term of the lease is eighteen years remitted in monthly payments to SWACO over the term of the lease in monthly payments of \$4,862.

SWACO is reporting a lease receivable of \$388,612 at December 31, 2022. This amount represents the discounted future monthly lease payments. This discount is being amortized using the straight line method. For 2022, SWACO reported lease revenue of approximately \$58,047 (included in other revenue) and interest revenue of \$4,332.

A summary of future payments to be received is as follows:

| <b>Calendar Year</b> | <b>Principal Payments</b> | <b>Interest Payments</b> | <b>Total Payments</b> |
|----------------------|---------------------------|--------------------------|-----------------------|
| 2023                 | \$51,963                  | \$6,381                  | \$58,344              |
| 2024                 | 52,864                    | 5,480                    | 58,344                |
| 2025                 | 53,812                    | 4,532                    | 58,344                |
| 2026                 | 54,762                    | 3,582                    | 58,344                |
| 2027                 | 55,728                    | 2,616                    | 58,344                |
| 2028-2029            | 119,483                   | 2,279                    | 121,762               |
| <b>Total:</b>        | <b>\$388,612</b>          | <b>\$24,870</b>          | <b>\$413,482</b>      |

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# SWACO

## Notes to Financial Statements

### For the Year Ended December 31, 2022

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#### 8. Defined Benefit Pension Plan

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

Net Pension Liability/Net OPEB Liability (Asset)

Pensions and OPEB are a component of exchange transactions – between an employer and its employees — of salaries and benefits for employee services. Pensions are provided to an employee— on a deferred-payment basis—as part of the total compensation package offered by an employer for employee services each financial period.

The net pension/OPEB liability (asset) represents SWACO’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) calculation is dependent on critical long-term variables, including estimated average life expectancies, earnings on investments, cost of living adjustments and others. While these estimates use the best information available, unknowable future events require adjusting this estimate annually.

Ohio Revised Code limits SWACO’s obligation for the liability to annually required payments. SWACO cannot control benefit terms or the manner in which pensions/OPEB are financed; however, SWACO 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 healthcare to eligible benefit recipients.

The proportionate share of each plan’s unfunded benefits is presented as a long-term net pension liability and net OPEB liability (asset). Any liability for the contractually-required pension/OPEB contributions outstanding at the end of the year is included in accrued wages and benefits.

The remainder of this note includes the pension disclosures. See Note 9 for the OPEB disclosures.

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Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – SWACO 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, the Combined Plan is no longer available for member selection. Substantially all employee members are in OPERS’ traditional plan; therefore, the following disclosure focuses on the traditional pension plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members. 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 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 as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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

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When a 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. 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.

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

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

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. SWACO's contractually required contribution was \$1,154,954 for 2022. Of this amount, \$144,433 is reported as accrued wages and benefits.

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

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

|  | <u>OPERS</u>     |
|--|------------------|
| Proportion of the Net Pension Liability: |                  |
| Current Measurement Period               | 0.051097%        |
| Prior Measurement Period                 | <u>0.049864%</u> |
| Change in Proportion                     | <u>0.001233%</u> |
| Proportionate Share of the Net           |                  |
| Pension Liability                        | \$ 4,445,646     |
| Pension Expense                          | \$ (404,619)     |

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Other than contributions made subsequent to the measurement date and differences between projected and actual earnings on investments; deferred inflows/outflows of resources are recognized in pension expense beginning in the current period, using a straight line method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions, determined as of the beginning of the measurement period. Net deferred inflows/outflows of resources pertaining to the differences between projected and actual investment earnings are similarly recognized over a closed five year period. At December 31, 2022, SWACO reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <u>OPERS</u>        |
|--|---------------------|
| <b>Deferred Outflows of Resources</b>  |                     |
| Differences between Expected and Actual Experience                               | \$ 226,633          |
| Changes of Assumptions   | 555,924             |
| Changes in Proportionate Share and Differences in Contributions                  | 269,143             |
| SWACO Contributions Subsequent to the Measurement Date                           | <u>1,154,954</u>    |
| Total Deferred Outflows of Resources   | <u>\$ 2,206,654</u> |
| <b>Deferred Inflows of Resources</b>   |                     |
| Differences between Expected and Actual Experience                               | \$ 97,505           |
| Net Difference between Projected and Actual Earnings on Pension Plan Investments | 5,287,935           |
| Changes in Proportionate Share and Differences in Contributions                  | <u>12,721</u>       |
| Total Deferred Inflows of Resources  | <u>\$ 5,398,161</u> |

\$1,154,954 reported as deferred outflows of resources related to pension resulting from SWACO contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

| Year Ending December 31: | <u>OPERS</u>          |
|--------------------------|-----------------------|
| 2023                     | \$ (486,738)          |
| 2024                     | (1,775,131)           |
| 2025                     | (1,243,406)           |
| 2026                     | <u>(841,186)</u>      |
| Total                    | <u>\$ (4,346,461)</u> |

**Actuarial Assumptions – OPERS**

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.



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Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation. The total pension liability was determined by an actuarial valuation as of December 31, 2021, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67. In 2021, the Board's actuarial consultants conducted an experience study for the period 2016 through 2020, comparing assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions, with the most notable being a reduction in the actuarially assumed rate of return from 7.2 percent down to 6.9 percent, for the defined benefit investments. Key actuarial assumptions and methods used in the latest actuarial valuation, prepared as of December 31, 2021, reflecting experience study results, are presented below:

|   | <u>OPERS Traditional Plan</u>                                   |
|---|---|
| Wage Inflation                                  | 2.75 percent  |
| Future Salary Increases,<br>including inflation | 2.75 to 10.75 percent<br>including wage inflation               |
| COLA or Ad Hoc COLA:                            |   |
| Pre-January 7, 2013 Retirees                    | 3.00 percent, simple  |
| Post-January 7, 2013 Retirees                   | 3.00 percent, simple through 2022,<br>then 2.05 percent, simple |
| Investment Rate of Return                       | 6.90 percent  |
| Actuarial Cost Method                           | Individual Entry Age  |

Key actuarial assumptions and methods used in the prior actuarial valuation, prepared as of December 31, 2020, are presented below:

|   | <u>OPERS Traditional Plan</u>                                   |
|---|---|
| Wage Inflation                                  | 3.25 percent  |
| Future Salary Increases,<br>including inflation | 3.25 to 10.75 percent<br>including wage inflation               |
| COLA or Ad Hoc COLA:                            |   |
| Pre-January 7, 2013 Retirees                    | 3.00 percent, simple  |
| Post-January 7, 2013 Retirees                   | 0.50 percent, simple through 2021,<br>then 2.15 percent, simple |
| Investment Rate of Return                       | 7.20 percent  |
| Actuarial Cost Method                           | Individual Entry Age  |

For 2021, 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. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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.

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For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above described tables.

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

During 2021, 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 15.3 percent for 2021.

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, 2021, these best estimates are summarized below:

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

**SWACO**  
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**Discount Rate** The discount rate used to measure the total pension liability for the current year was 6.9 percent. The discount rate for the prior year was 7.2 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the 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 was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of SWACO’s Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate** The following table presents SWACO’s proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what SWACO’s proportionate share of the net pension liability (asset) 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   | Current<br>Discount Rate | 1% Increase    |
|---|---------------|--------------------------|----------------|
| SWACO's Proportionate Share of the<br>Net Pension Liability (Asset) | \$ 11,721,141 | \$ 4,445,646             | \$ (1,608,534) |

**9. Defined Benefit OPEB Plans**

Net OPEB Liability (Asset)

See Note 8 for a description of the net OPEB liability (asset).

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

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

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust, which funds multiple health care plans including medical coverage, prescription drug coverage and deposits to a Health Reimbursement Arrangement (HRA) to qualifying benefit recipients of both the traditional pension and the combined plans. Currently, Medicare-eligible retirees are able to select medical and prescription drug plans from a range of options and may elect optional vision and dental plans. Retirees and eligible dependents enrolled in Medicare Parts A and B have the option to enroll in a Medicare supplemental plan with the assistance of the OPERS Medicare Connector. The OPERS Medicare Connector is a relationship with a vendor selected by OPERS to assist retirees, spouses and dependents with selecting a medical and pharmacy plan. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are deposited into an HRA. For non-Medicare retirees and eligible dependents, OPERS sponsors medical and prescription coverage through a professionally managed self-insured plan. An allowance to offset a portion of the monthly premium is offered to retirees and eligible dependents. The allowance is based on the retiree’s years of service and age when they first enrolled in OPERS coverage.

## **SWACO**

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OPERS provides a monthly allowance for health care coverage for eligible retirees and their eligible dependents. The base allowance is determined by OPERS. For those retiring on or after January 1, 2015, the allowance has been determined by applying a percentage to the base allowance. The percentage applied is based on years of qualifying service credit and age when the retiree first enrolled in OPERS health care. Monthly allowances range between 51 percent and 90 percent of the base allowance. Those who retired prior to January 1, 2015, will have an allowance of at least 75 percent of the base allowance.

The health 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.

Effective January 1, 2022, OPERS discontinued the group plans currently offered to non-Medicare retirees and re-employed retirees. Instead, eligible non-Medicare retirees will select an individual medical plan. OPERS will provide a subsidy or allowance via an HRA allowance to those retirees who meet health care eligibility requirements. Retirees will be able to seek reimbursement for plan premiums and other qualified medical expenses.

In order to qualify for postemployment health care coverage, age and service retirees under the traditional pension must have twenty or more years of qualifying Ohio service credit with a minimum age of 60. Members in Group A are eligible for coverage at any age with 30 or more years of qualifying service. Members in Group B are eligible at any age with 32 years of qualifying service, or at age 52 with 31 years of qualifying service. Members in Group C are eligible for coverage with 32 years of qualifying service and a minimum age of 55. Current retirees eligible (or who became eligible prior to January 1, 2022) to participate in the OPERS health care program will continue to be eligible after January 1, 2022. Eligibility requirements change for those retiring after January 1, 2022, with differing eligibility requirements for Medicare retirees and non-Medicare retirees. The health care coverage provided by OPERS meets the definition of an Other Post Employment Benefit (OPEB) as described in GASB Statement 75. See OPERS' Annual Comprehensive Financial Report referenced below for additional information.

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

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

Funding Policy – The Ohio Revised Code provides the statutory authority 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.

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

Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2022, OPERS did not allocate any employer contribution to health care for members. 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.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. SWACO had no contractually required contribution for 2022.

**Net OPEB Liability (Asset), OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB**

The net OPEB liability (asset) and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2020, rolled forward to the measurement date of December 31, 2021, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. SWACO’s proportion of the net OPEB liability (asset) was based on SWACO’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:

|   | <u>OPERS</u>     |
|---|------------------|
| Proportion of the Net OPEB Liability (Asset): |                  |
| Current Measurement Period                    | 0.053784%        |
| Prior Measurement Period                      | <u>0.052510%</u> |
| Change in Proportion                          | <u>0.001274%</u> |
| <br>  |                  |
| Proportionate Share of the Net                |                  |
| OPEB Liability (Asset)                        | \$ (1,684,597)   |
| OPEB Expense                                  | \$ (1,295,479)   |

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

|   | <u>OPERS</u>        |
|---|---------------------|
| <b>Deferred Outflows of Resources</b>   |                     |
| Changes in Proportionate Share and Differences in Contributions               | \$ 113,901          |
| Total Deferred Outflows of Resources  | <u>\$ 113,901</u>   |
| <b>Deferred Inflows of Resources</b>  |                     |
| Differences between Expected and Actual Experience                            | \$ 255,528          |
| Net Difference between Projected and Actual Earnings on OPEB Plan Investments | 803,098             |
| Changes of Assumptions  | 681,906             |
| Changes in Proportionate Share and Differences in Contributions               | 8,823               |
| Total Deferred Inflows of Resources   | <u>\$ 1,749,355</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ending December 31: | <u>OPERS</u>          |
|--------------------------|-----------------------|
| 2023                     | \$ (978,718)          |
| 2024                     | (365,924)             |
| 2025                     | (175,474)             |
| 2026                     | (115,338)             |
| Total                    | <u>\$ (1,635,454)</u> |

**Actuarial Assumptions – OPERS**

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

Projections of 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. In 2021, the Board’s actuarial consultants conducted an experience study for the period 2016 through 2020, comparing historical assumptions to actual results. The experience study incorporates both a historical review and forward-looking projections to determine the appropriate set of assumptions to keep the plan on a path toward full funding. Information from this study led to changes in both demographic and economic assumptions. The actuarial valuation used for 2021 compared to those used for 2020 are as follows:

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|                             | <u>December 31, 2021</u>                                |
|-----------------------------|---|
| Wage Inflation              | 2.75 percent  |
| Projected Salary Increases, | 2.75 to 10.75 percent<br>including wage inflation       |
| Single Discount Rate        | 6.00 percent  |
| Investment Rate of Return   | 6.00 percent  |
| Municipal Bond Rate         | 1.84 percent  |
| Health Care Cost Trend Rate | 5.50 percent, initial<br>3.50 percent, ultimate in 2034 |
| Actuarial Cost Method       | Individual Entry Age                                    |

For 2021, 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. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females). Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females). 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.

For 2020, pre-retirement mortality rates are based on the RP-2014 Employees mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates are based on the RP-2014 Healthy Annuitant mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Post-retirement mortality rates for disabled retirees are based on the RP-2014 Disabled mortality table for males and females, adjusted for mortality improvement back to the observation period base year of 2006. The base year for males and females was then established to be 2015 and 2010, respectively. Mortality rates for a particular calendar year are determined by applying the MP-2015 mortality improvement scale to all of the above-described tables.

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

During 2021, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, 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 14.3 percent for 2021.

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**Notes to Financial Statements**  
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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, 2021, 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%            | 0.91%   |
| Domestic Equities            | 25.00             | 3.78  |
| Real Estate Investment Trust | 7.00              | 3.71  |
| International Equities       | 25.00             | 4.88  |
| Risk Parity                  | 2.00              | 2.92  |
| Other investments            | 7.00              | 1.93  |
| Total                        | 100.00%           | 3.45%   |

**Discount Rate** A single discount rate of 6.0 percent was used to measure the total OPEB liability on the measurement date of December 31, 2021. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 1.84 percent (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 2121. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2121, the duration of the projection period through which projected health care payments are fully funded.

**Sensitivity of SWACO's Proportionate Share of the Net OPEB (Asset) to Changes in the Discount Rate** The following table presents SWACO's proportionate share of the net OPEB (asset) calculated using the single discount rate of 6.00 percent, as well as what SWACO's proportionate share of the net OPEB (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.00 percent) or one-percentage-point higher (7.00 percent) than the current rate:



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

|  | <u>1% Decrease</u> | <u>Current<br/>Discount Rate</u> | <u>1% Increase</u> |
|--|--------------------|----------------------------------|--------------------|
| SWACO's Proportionate Share of the<br>Net OPEB (Asset) | \$ (990,701)       | \$ (1,684,597)                   | \$ (2,260,542)     |

**Sensitivity of SWACO's Proportionate Share of the Net OPEB (Asset) to Changes in the Health Care Cost Trend Rate** Changes in the health care cost trend rate may also have a significant impact on the net OPEB (asset). The following table presents the net OPEB (asset) calculated using the assumed trend rates, and the expected net OPEB (asset) 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 2022 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.

|  | <u>1% Decrease</u> | <u>Current<br/>Trend Rate</u> | <u>1% Increase</u> |
|--|--------------------|-------------------------------|--------------------|
| SWACO's Proportionate Share of the<br>Net OPEB (Asset) | \$ (1,702,801)     | \$ (1,684,597)                | \$ (1,663,001)     |

**10. Debt Management**

SWACO's outstanding long-term debt is summarized in the following table (excludes related premiums):

**Outstanding Notes and Bonds as of December 31, 2022**

| Issue                              | Amount Issued | Maturities  | Interest Rates | Principal<br>Balance as of<br>December 31,<br>2022 |
|------------------------------------|---------------|-------------|----------------|--|
| Series 2012                        | \$ 79,015,000 | 2013-- 2032 | 1.50% - 5.00%  | \$ 1,265,000                                       |
| Series 2013A                       | 9,375,000     | 2015-- 2026 | 1.50% - 4.00%  | 3,255,000  |
| Series 2013B                       | 9,540,000     | 2014-- 2032 | 0.45% - 5.00%  | 2,150,000  |
| Series 2016                        | 35,360,000    | 2016-- 2029 | 3.00% - 5.00%  | 31,070,000   |
| Series 2019                        | 19,575,000    | 2019-- 2032 | 1.75% - 2.75%  | 19,165,000   |
| Subtotal, general obligation bonds |               |             |                | <u>\$ 56,905,000</u>                               |

# SWACO

## Notes to Financial Statements

### For the Year Ended December 31, 2022

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*Series 2012 Bonds.* On June 1, 2012, SWACO issued General Obligation (Limited Tax) Solid Waste Facilities Improvement and Refunding Bonds, Series 2012, in the amount of \$79,015,000. The proceeds of the bonds were used to: retire the Series 2011 Bond Anticipation Notes in the amount of \$24,295,000; retire the Series 2011 Taxable Bond Anticipation Notes in the amount of \$3,520,000; refund \$24,365,000 of the outstanding \$31,970,000 Series 2004A bonds; refund \$11,110,000 of the outstanding \$13,315,000 Series 2004B bonds; and finance costs of additional solid waste facilities comprised of cell construction, land acquisition, landfill gas improvements, landfill improvements, model landfill improvements and scale transfer station/receiving improvements. The Series 2012 Bonds bear interest ranging from 1.5% to 5.0% with maturities of 20 years. The bonds are un-voted general obligations of SWACO and contain a pledge of the full faith and credit of SWACO for the payment of the principal and interest on the bonds when due.

*Series 2013A Bonds.* On August 7, 2013, SWACO issued General Obligation (Limited Tax) Solid Waste Facilities Refunding Bonds, Series 2013A, in the amount of \$9,375,000. The proceeds of the bonds were used to refund \$9,815,000 of the outstanding \$13,540,000 Series 2010 Build America Bonds. At the time of issuance, the federal government provided a 35% subsidy on interest payments for these bonds. On June 20, 2013, SWACO received notification from the Internal Revenue Service that the subsidy would be reduced by 8.7% due to sequestration. This qualified as an extraordinary event and provided SWACO with the opportunity to refund a portion of the Series 2010 Build America Bonds under more favorable terms. The Series 2013A Bonds bear interest ranging from 1.5% to 4.0% with maturities of 13 years. The bonds are un-voted general obligations of SWACO and contain a pledge of the full faith and credit of SWACO for the payment of the principal and interest on the bonds when due.

*Series 2013B Bonds.* On August 7, 2013, SWACO issued General Obligation Taxable Solid Waste Facilities Refunding Bonds, Series 2013B, in the amount of \$9,540,000. The proceeds of the bonds were used to: refund \$340,000 of the outstanding \$1,495,000 Series 2004B bonds; refund \$1,140,000 of the outstanding \$19,165,000 Series 2008 bonds; and refund \$7,005,000 of the outstanding \$79,015,000 Series 2012 Bonds. In January 2013, SWACO entered into an agreement to lease land to a third party. The land leased qualified as private use, necessitating the defeasance of portions of Series 2004B, Series 2008 and Series 2012 under the Internal Revenue Code of 1986. The defeased tax-exempt bonds were refunded as taxable bonds with Series 2013B. The Series 2013B Bonds bear interest ranging from 0.45% to 5.0% with maturities of 19 years. The bonds are un-voted general obligations of SWACO and contain a pledge of the full faith and credit of SWACO for the payment of the principal and interest on the bonds when due.

*Series 2016 Bonds:* On December 20, 2016, SWACO issued General Obligation (Limited Tax) Solid Waste Facilities Refunding Bonds, Series 2016, in the amount of \$35,360,000. The proceeds of the bonds were used to: refund \$12,755,000 of the outstanding \$14,665,000 Series 2008 bonds, refund \$3,725,000 of the outstanding \$3,725,000 Series 2010 bonds, and \$19,795,000 of the outstanding \$57,920,000 Series 2012 bonds.

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

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*Series 2019 Bonds:* On December 19, 2019, SWACO issued General Obligation (Limited Tax) Solid Waste Facilities Refunding Bonds, Series 2019 (Taxable), in the amount of \$19,575,000. The Series 2019 Bonds were issued for the purposes of paying part of the cost of refunding a portion of the following obligations of SWACO (collectively, the “Refunded Prior Bonds”): \$79,015,000 original principal amount General Obligation (Limited Tax) Solid Waste Facilities Improvement and Refunding Bonds, Series 2012, dated June 1, 2012 (the “Series 2012 Bonds”) and \$9,540,000 original principal amount Taxable Solid Waste Facilities Refunding Bonds, Series 2013B (the “Series 2013 Bonds” and collectively, the “Prior Bonds”), which were issued to finance and refinance the costs of certain facilities constituting solid waste facilities included in the General Facilities Plan of SWACO.

The Series 2019 refunding reduced the debt service payments over the next 13 years by approximately \$1.3 million and obtained an economic gain (difference between the present values of the old and new debt service payments) of approximately \$1.1 million.

It is anticipated that the debt service on the Series 2012, Series 2013A, Series 2013B, Series 2016, and Series 2019 bonds will be paid from SWACO’s tipping fees or other sources of revenues. However, Series 2012, Series 2013A, Series 2013B, Series 2016, and Series 2019 bonds are general obligation bonds secured by a pledge to levy ad valorem property taxes.

The following table summarizes SWACO’s annual debt service requirements to maturity for its general obligation bonds (including general obligation bonds issued by Franklin County on behalf of SWACO), tax revenue note, and promissory note outstanding as of December 31, 2022, categorized by source of payment.

| Year ended<br>December<br>31 2022, | Paid from Tipping Fees                       |                     |
|------------------------------------|--|---------------------|
|                                    | Series 2012, 2013A,<br>2013B, 2016, and 2019 |                     |
|                                    | Principal                                    | Interest            |
| 2023                               | \$5,785,000                                  | \$2,255,208         |
| 2024                               | 6,055,000                                    | 1,982,943           |
| 2025                               | 6,340,000                                    | 1,699,803           |
| 2026                               | 5,075,000                                    | 1,399,503           |
| 2027                               | 5,340,000                                    | 1,156,593           |
| 2028 – 2032                        | 28,310,000                                   | 2,585,053           |
| Total                              | <u>\$56,905,000</u>                          | <u>\$11,079,100</u> |

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

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*Legal Debt Margins.* SWACO's debt is not subject to direct debt limitations, but its un-voted general obligation debt (debt authorized by SWACO's Board of Trustees but not by a vote of the electors) is subject to overlapping debt restrictions with other political subdivisions. These limitations apply to each overlapping county, municipal corporation, school district or other issuing authority. Limitations apply to each county total and are not considered cumulatively. Total debt service charges for any one year of all overlapping debt may not exceed ten mills (1%) of the assessed property value within the overlapping jurisdictions. This determination is made by the respective county auditors each time a subdivision proposes to issue un-voted debt. At the time of SWACO's most recent un-voted debt issue in 2019 the maximum millage required in any overlapping jurisdictions was 8.8321 mills, leaving a margin of 1.1679 mills.

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

*Summary of Debt and Long-Term Obligations*

Including the bonds and notes payable, net pension liability, net OPEB liability, and compensated leave balances, long-term liability activity for the year ended December 31, 2022:

| Operating and Program Funds                           | Restated-<br>Beginning<br>Balance | Additions | Reductions      | Ending<br>Balance | Due Within<br>One Year |
|---|-----------------------------------|-----------|-----------------|-------------------|------------------------|
| General obligation notes and bonds payable:           |                                   |           |                 |                   |                        |
| Series 2012 bonds refunding                           | \$ 4,275,000                      | \$ -      | \$ (3,010,000)  | \$ 1,265,000      | \$ 1,265,000           |
| Series 2013A bonds refunding                          | 4,085,000                         | -         | (830,000)       | 3,255,000         | 865,000                |
| Series 2013B bonds refunding                          | 2,585,000                         | -         | (435,000)       | 2,150,000         | 450,000                |
| Series 2016 bonds refunding                           | 32,215,000                        | -         | (1,145,000)     | 31,070,000        | 3,075,000              |
| Series 2019 bonds refunding                           | 19,295,000                        | -         | (130,000)       | 19,165,000        | 130,000                |
| Unamortized bond premiums                             | 2,892,009                         | -         | (711,207)       | 2,180,802         | -                      |
| Total general obligation notes and bonds payable, net | 65,347,009                        | -         | (6,261,207)     | 59,085,802        | 5,785,000              |
| Landfill closure and post-closure liability (Note 11) |                                   |           |                 |                   |                        |
| Landfill closure and post-closure liability (Note 11) | 19,737,637                        | -         | (1,694,634)     | 18,043,003        | -                      |
| Net pension liability (Note 8)                        | 7,383,773                         | -         | (2,938,127)     | 4,445,646         | -                      |
| Leases (Note 16)                                      | 1,129,881                         | -         | (90,185)        | 1,039,696         | 81,030                 |
| Compensated leave                                     | 466,074                           | 56,865    | (15,693)        | 507,246           | 437,289                |
| Total debt and long-term liabilities                  | \$ 94,064,374                     | \$ 56,865 | \$ (10,999,846) | \$ 83,121,393     | \$ 6,303,319           |

**11. Landfill Closure and Post-Closure Care Costs**

State and federal laws and regulations require SWACO to place a final cover on its Sanitary Landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. Although final closure and post-closure care costs will be paid only when the last phases of the landfill reach final waste elevation, in accordance with GASB Statement No. 18, Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs, SWACO reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each Statement of Net Position date.

In calculating the annual depletion, SWACO uses the 2022 final closure cost estimate. The amount reported as Landfill Closure/Post-closure liability as of December 31, 2022, includes \$18.0 million representing the cumulative amount reported based on the use of 29.6% of the estimated capacity of the landfill, including the original permit and 1997, 2009, and 2018 modifications. SWACO will recognize the remaining estimated cost of closure and post-closure care costs as the remaining estimated capacity is filled. Per SWACO's annual report the landfill has a remaining useful life of approximately 40.0 years.

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

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SWACO also maintains and monitors the Model Landfill, which has been closed since 1985. The Model Landfill is not subject to the same state and federal laws and regulations as the current operating landfill. In an effort to manage post-closure costs, SWACO leased the closed landfill to a private entity in 1999 to develop a public golf course on the site, and leased the landfill gas collection system and sold the gas rights for the purpose of generating electricity. SWACO no longer carried a Landfill Closure/Post-closure care liability as of December 31, 2016. Future maintenance and repairs such as remediation costs for its gas system will be funded from operating funds.

On January 15, 2014, SWACO entered into an asset purchase agreement with Phoenix Golf Links, Ltd. to acquire all of their operating assets, located at SWACO's closed Model Landfill. The assets were purchased for \$2,375,000 and a related Model Landfill lease agreement was terminated at the same time. In March 2015, SWACO decided to close its golf course operation resulting in a write-down of the golf course clubhouse, land improvements, and deferred outflows of resources.

In addition to the gas remediation, SWACO has signed an agreement with a third-party to construct a solar park on Model Landfill. During the first three years, SWACO will receive annual rent payments. If the site becomes operational during that time, rent payments will transition to the sale of solar energy based on kilowatt hours.

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

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**12. Service Agreements**

SWACO entered into a modification of a yard waste composting service agreement in November 2009. The agreement was extended through December 31, 2022. Under the modified terms of the agreement, SWACO pays a quarterly service fee (beginning January 1, 2010) of \$71,250 to the service provider to accept and process yard waste delivered by SWACO District constituents. Operating expenses under the service agreement were \$285,000 in 2022.

SWACO also entered into a modification of another yard waste composting service agreement in November 2009. The agreement was extended through December 31, 2022. Under the modified terms of the agreement, beginning January 1, 2010, SWACO pays the service provider a per-ton fee for yard waste composting services up to a maximum annual payment of \$1,200,000, to accept and process yard waste delivered by SWACO District constituents. Operating expenses under the service agreement were \$1,200,000 in 2022.

**13. Commitments and Contingencies**

As the operator of solid waste disposal and transfer facilities, SWACO is subject to environmental regulation by federal, state and local governmental authorities. These authorities have the power to enforce compliance with environmental laws and regulations and to obtain injunctions or impose fines in the case of violations. In addition, SWACO's operation of landfills subjects it to certain operational, monitoring, site maintenance, closure and post-closure obligations. As the result of this extensive regulation, SWACO may become subject to various judicial and administrative proceedings involving federal, state or local regulatory agencies. If these agencies find that SWACO's operations or facilities are not in compliance with applicable environmental regulations or operating permits, they could seek to impose fines on SWACO or to revoke or deny renewal of an operating permit held by SWACO. Failure to correct the problems to the satisfaction of the authorities could lead to curtailed operations or closure of the landfill or transfer stations.

Certain federal and state environmental laws impose strict liability on SWACO for such matters as contamination of water supplies or other environmental damage associated with its operation of solid waste facilities. If such contamination or environmental damage were to occur, the resulting cost to SWACO of corrective measures and cleanup could adversely affect SWACO's financial condition.

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

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**14. Risks and Uncertainties**

SWACO is exposed to various risks of loss related to torts and general liability; theft of, damage to and destruction of assets; natural disasters; errors and omissions; employee health care claims, settlement claims, and injuries to employees. Insurance policies are procured for buildings and contents and certain equipment. In addition, a crime policy is in effect which covers SWACO for employee theft and dishonesty. There have been no significant changes in insurance coverage since the prior year. Settled claims have not exceeded commercial coverage in any of the past three years. SWACO purchases workers' compensation insurance through the State of Ohio to cover all employees. SWACO also provides life insurance to all full-time employees at an amount equal to \$50,000 or one (1) year's base salary, whichever is greater as well as short-term disability benefit. These benefits are fully insured by SWACO through third parties.

SWACO purchases property insurance for all buildings and equipment, excluding over-the-road motor vehicles. SWACO maintains \$5.0 million in general liability, public official's liability, and motor vehicle liability insurance for claims in excess of \$1.0 million. SWACO retains the risk for claims less than \$1.0 million.

SWACO provides health care benefits package to its employees under agreement with Franklin County. The County provides multiple health care benefit plans that cover approximately 6,000 employees of Franklin and Pickaway Counties, SWACO and other Central Ohio political subdivisions. There are approximately 14,000 plan subscribers when spouses and dependents and domestic partners are counted. During 2022, these benefits included a self-insured participating provider organization medical plan, a prescription drug program, a mental health and chemical dependency program, dental, vision, and employee assistance program (EAP) benefits. The program is administered by third parties who provide claims review and processing. Participating County agencies and other political subdivisions pay their proportionate shares of the premiums and may be charged for their pro-rata share of any reserve deficiency as determined by the plan's independent actuary. SWACO has not been assessed any charges other than its premiums for the years ended December 31, 2022 or 2021.

The Consolidated Omnibus Budget Reconciliation Act of 1986 requires SWACO to offer terminated or retired employees continued participation in SWACO's employee health care benefits program, provided that the employees pay the rate established by the plan administrator.

SWACO analyzes all outstanding and potential claims that have arisen or could arise due to the occurrence of a loss contingency on or before December 31, 2022. Those claims that are judged to have a high probability of requiring a settlement and for which the amount required to settle the claim is reasonably estimable are included. SWACO still has no potential claims at the end of 2022 incurred in prior years, but is unable to quantify the monetary value and such claims should not have a material impact on the financial statements.

|                              | <u>2021</u> | <u>2022</u> |
|------------------------------|-------------|-------------|
| Unpaid claims at January 1   | \$ -        | \$ -        |
| Incurred claims              | 594         | 58,923      |
| Paid claims                  | (594)       | (58,923)    |
|                              | <u>\$ -</u> | <u>\$ -</u> |
| Unpaid claims at December 31 | \$ -        | \$ -        |



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

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**15. COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. The financial impact of COVID-19 and the continuing emergency measures will impact subsequent periods of SWACO. The impact on SWACO's future operating costs, revenues, and additional recovery from emergency funding, either federal or state, cannot be estimated.

SWACO's investment portfolio fluctuates with market conditions, and due to market volatility, the amount of gains or losses that will be realized in subsequent periods, if any, cannot be determined.

**16. Leases**

SWACO signed an agreement to lease technology infrastructure beginning May 3, 2019 through May 3, 2034. Due to the implementation of GASB Statement 87, this lease has met the criteria of leases thus requiring them to be recorded by SWACO. The future lease payments were discounted based on the interest rate implicit in the lease or using SWACO's incremental borrowing rate. This discount is being amortized over the life of the lease. At December 31, 2022, the total lease liability is \$1,039,696 with \$81,030 due in one year. A summary of the principal and interest amounts for the remaining lease is as follows:

| Calendar Year | Business-Type Activities |                    |                   |                |
|---------------|--------------------------|--------------------|-------------------|----------------|
|               | Fiscal Year              | Principal Payments | Interest Payments | Total Payments |
| 2023          | \$                       | 81,030             | \$ 12,570         | \$ 93,600      |
| 2024          |                          | 82,010             | 11,590            | 93,600         |
| 2025          |                          | 83,001             | 10,599            | 93,600         |
| 2026          |                          | 84,005             | 9,595             | 93,600         |
| 2027          |                          | 85,020             | 8,580             | 93,600         |
| 2028 - 2032   |                          | 440,771            | 27,229            | 468,000        |
| 2033 - 2034   |                          | 183,859            | 3,341             | 187,200        |
| Total:        | \$                       | 1,039,696          | \$ 83,504         | \$ 1,123,200   |

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# SWACO

## Required Supplementary Information

### As of December 31, 2022

Solid Waste Authority of Central Ohio  
Franklin County, Ohio  
Required Supplementary Information  
Schedule of SWACO's Proportionate Share of the Net Pension Liability  
Last Nine Years (1)

|  | 2022         | 2021         | 2020         | 2019          | 2018         | 2017          | 2016         | 2015         | 2014         |
|--|--------------|--------------|--------------|---------------|--------------|---------------|--------------|--------------|--------------|
| <i>Ohio Public Employees' Retirement System (OPERS)</i>  |              |              |              |               |              |               |              |              |              |
| SWACO's Proportion of the Net Pension Liability  | 0.051097%    | 0.049864%    | 0.047624%    | 0.047155%     | 0.0451451%   | 0.0445022%    | 0.0437840%   | 0.0470640%   | 0.0470640%   |
| SWACO's Proportionate Share of the Net Pension Liability   | \$ 4,445,646 | \$ 7,383,773 | \$ 9,413,207 | \$ 12,914,798 | \$ 7,082,384 | \$ 10,105,688 | \$ 7,583,941 | \$ 5,678,740 | \$ 5,548,232 |
| SWACO's Covered Payroll  | \$ 7,452,836 | \$ 7,011,650 | \$ 6,705,979 | \$ 6,369,871  | \$ 6,014,821 | \$ 5,761,125  | \$ 5,519,033 | \$ 5,874,258 | \$ 6,162,485 |
| SWACO's Proportionate Share of the Net Pension Liability<br>as a Percentage of its Covered Payroll | 59.65%       | 105.31%      | 140.37%      | 202.75%       | 117.75%      | 175.41%       | 137.41%      | 96.67%       | 90.03%       |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability                         | 92.62%       | 86.88%       | 82.17%       | 74.70%        | 84.66%       | 77.25%        | 81.08%       | 86.45%       | 86.36%       |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

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# SWACO

## Required Supplementary Information

### As of December 31, 2022

Solid Waste Authority of Central Ohio  
Franklin County, Ohio  
Required Supplementary Information  
Schedule of the SWACO's Contributions - Pension  
Last Ten Years

|  | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         | 2015         | 2014         | 2013         |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <b>Ohio Public Employees' Retirement System (OPERS)</b>              |              |              |              |              |              |              |              |              |              |              |
| Contractually Required Contribution                                  | \$ 1,154,954 | \$ 1,043,397 | \$ 981,631   | \$ 938,837   | \$ 891,782   | \$ 781,927   | \$ 691,335   | \$ 662,284   | \$ 704,911   | \$ 801,123   |
| Contributions in Relation to the Contractually Required Contribution | (1,154,954)  | (1,043,397)  | (981,631)    | (938,837)    | (891,782)    | (781,927)    | (691,335)    | (662,284)    | (704,911)    | (801,123)    |
| Contribution Deficiency (Excess)                                     | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         |
| SWACO's Covered Payroll  | \$ 8,249,671 | \$ 7,452,836 | \$ 7,011,650 | \$ 6,705,979 | \$ 6,369,871 | \$ 6,014,821 | \$ 5,761,125 | \$ 5,519,033 | \$ 5,874,258 | \$ 6,162,485 |
| Contributions as a Percentage of Covered Payroll                     | 14.00%       | 14.00%       | 14.00%       | 14.00%       | 14.00%       | 13.00%       | 12.00%       | 12.00%       | 12.00%       | 13.00%       |

(n/a) Information prior to 2013 is not available.

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**SWACO**  
**Required Supplementary Information**  
**As of December 31, 2022**

Solid Waste Authority of Central Ohio  
 Franklin County, Ohio  
 Required Supplementary Information  
 Schedule of SWACO's Proportionate Share of the Net OPEB Liability (Asset)  
 Last Six Years (1)

|   | 2022           | 2021         | 2020         | 2019         | 2018         | 2017         |
|---|----------------|--------------|--------------|--------------|--------------|--------------|
| <i>Ohio Public Employees' Retirement System (OPERS)</i>   |                |              |              |              |              |              |
| SWACO's Proportion of the Net OPEB Liability (Asset)  | 0.053784%      | 0.052510%    | 0.049955%    | 0.049985%    | 0.0480888%   | 0.0477410%   |
| SWACO's Proportionate Share of the Net OPEB Liability (Asset)   | \$ (1,684,597) | \$ (935,508) | \$ 6,900,083 | \$ 6,516,864 | \$ 5,222,095 | \$ 4,822,003 |
| SWACO's Covered Payroll   | \$ 7,452,836   | \$ 7,011,650 | \$ 6,705,979 | \$ 6,369,871 | \$ 6,014,821 | \$ 5,761,125 |
| SWACO's Proportionate Share of the Net OPEB Liability (Asset)<br>as a Percentage of its Covered Payroll | -22.60%        | -13.34%      | 102.89%      | 102.31%      | 86.82%       | 83.70%       |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability                                 | 128.23%        | 115.57%      | 47.80%       | 46.33%       | 54.14%       | 54.04%       |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available.

Note: The amounts presented for each fiscal year were determined as of the measurement date, which is the prior fiscal year.

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**SWACO**  
**Required Supplementary Information**  
**As of December 31, 2022**

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Solid Waste Authority of Central Ohio  
 Franklin County, Ohio  
*Required Supplementary Information*  
*Schedule of the SWACO's Contributions - OPEB*  
*Last Seven Years (1)*

|   | 2022         | 2021         | 2020         | 2019         | 2018         | 2017         | 2016         |
|---|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| <i>Ohio Public Employees' Retirement System (OPERS)</i>                 |              |              |              |              |              |              |              |
| Contractually Required Contribution                                     | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 0         | \$ 60,148    | \$ 115,223   |
| Contributions in Relation to the<br>Contractually Required Contribution | 0            | 0            | 0            | 0            | 0            | (60,148)     | (115,223)    |
| Contribution Deficiency (Excess)  | <u>\$ 0</u>  | <u>\$ 0</u>  | <u>\$ 0</u>  | <u>\$ 0</u>  | <u>\$ 0</u>  | <u>\$ 0</u>  | <u>\$ 0</u>  |
| SWACO's Covered Payroll (2)   | \$ 8,249,671 | \$ 7,452,836 | \$ 7,011,650 | \$ 6,705,979 | \$ 6,369,871 | \$ 6,014,821 | \$ 5,761,125 |
| Contributions as a Percentage of Covered Payroll                        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 0.00%        | 1.00%        | 2.00%        |

(1) Beginning in 2016, OPERS used one trust fund as the funding vehicle for all health care plans; therefore, information prior to 2016 is not presented.

(2) The OPEB plan includes the members from the traditional plan, the combined plan and the member directed plan.

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**SWACO**  
**Required Supplementary Information**  
**As of December 31, 2022**

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**Solid Waste Authority of Central Ohio**  
**Franklin County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2022*

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**NOTE 1 - NET PENSION LIABILITY**

*Changes in Assumptions – OPERS*

Amounts reported incorporate changes in discount rate used in calculating the total pension liability as follows:

|               | <u>2022</u> | <u>2021</u> | <u>2020</u> | <u>2019</u> | <u>2018</u> |
|---------------|-------------|-------------|-------------|-------------|-------------|
| Discount Rate | 6.90%       | 7.20%       | 7.20%       | 7.50%       | 8.00%       |

Calendar year 2017 reflects an adjustment of the rates of withdrawal, disability, retirement and mortality to more closely reflect actual experience. The expectation of retired life mortality was based on RP-2014 Healthy Annuitant mortality table and RP-2014 Disabled mortality table. Wage inflation rate was also reduced from 3.25 percent to 2.75 percent.

*Changes in Benefit Terms – OPERS*

In October 2020, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 1.40 percent simple through 2020 then 2.15 simple to 0.5 percent simple through 2021 then 2.15 percent simple.

In October 2019, the OPERS Board adopted a change in COLA for post-January 7, 2013 retirees, changing it from 3.00 percent simple through 2018 then 2.15 simple to 1.4 percent simple through 2020 then 2.15 percent simple.

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**SWACO**  
**Required Supplementary Information**  
**As of December 31, 2022**

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**Solid Waste Authority of Central Ohio**  
**Franklin County, Ohio**  
*Notes to the Required Supplementary Information*  
*For the Year Ended December 31, 2022*

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**NOTE 2 - NET OPEB LIABILITY (ASSET)**

***Changes in Assumptions - OPERS***

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented as follows:

| <b><u>Assumption</u></b>    | <b><u>2022</u></b> | <b><u>2021</u></b> | <b><u>2020</u></b> | <b><u>2019</u></b> | <b><u>2018</u></b> | <b><u>2017</u></b> |
|-----------------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Discount Rate               | 6.00%              | 6.00%              | 3.16%              | 3.96%              | 3.85%              | 4.23%              |
| Municipal Bond Rate         | 1.84%              | 2.00%              | 2.75%              | 3.71%              | 3.31%              | n/a                |
| Health Care Cost Trend Rate | 5.50%              | 8.50%              | 10.50%             | 10.00%             | 7.50%              | n/a                |

For calendar year 2019, the investment rate of return decreased from 6.50 percent to 6.00 percent.

***Changes in Benefit Terms – OPERS***

For calendar year 2022, the cost of living adjustments decreased from 2.20 percent simple to 2.05 percent simple.

For calendar year 2021, the cost of living adjustments decreased from 3.00 percent simple to 2.20 percent simple.

# **STATISTICAL SECTION**



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## *Solid Waste Authority of Central Ohio*

### Introduction to Statistical Section

The following statistical tables provide selected information on SWACO's financial trends, revenue capacity, operating information, debt capacity, and economic and demographic information.

Tables 1 and 2 provide ten years of financial information for SWACO. Table 3 is a budget to actual comparison for 2022.

Revenue capacity information on solid waste deliveries and tipping fees at SWACO facilities is presented in Tables 4 through 8. Table 8 provides generation fees reported by solid waste facilities receiving waste generated from within the Franklin County Solid Waste Management District (the "District") and disposed in an Ohio landfill.

Indicators of the level of demand for service are included in the tables throughout the statistical section along with tons received (Tables 4 and 5). This section also includes the top ten customer data (Table 5), tons generated (Table 8), and tons recycled (Table 9 and 10). Table 11 shows current and historical SWACO employees by function.

Tables 12 through 16 provide debt service schedules for SWACO's outstanding notes and bonds. Table 17 shows various debt ratios for SWACO. Table 17 includes total debt (notes and bonds) per capita, total obligation debt as a percent of SWACO assessed property valuation (although backed by a pledge to levy ad valorem property taxes, SWACO's general obligation bonds are paid from other sources, see note 10 to the financial statements), and annual debt service per ton paid from the landfill tipping fee. Table 18 shows the statutory debt limit on SWACO's ability to issue debt supported by property taxes. SWACO is not subject to direct debt limits.

Demographic information is presented for SWACO's solid waste district and Franklin County in Tables 19 through 21. Table 22 provides information on capital assets.

**SWACO**  
**Schedules of Net Position - All Funds**  
**For Years Ended December 31, 2013 through 2022**  
**(in thousands)<sup>1</sup>**

| <b>Assets</b>                                       | 2013            | 2014            | 2015            | 2016            | Restated<br>2017 | 2018            | 2019            | 2020            | Restated<br>2021 | 2022            |
|---|-----------------|-----------------|-----------------|-----------------|------------------|-----------------|-----------------|-----------------|------------------|-----------------|
| Cash and cash equivalents                           | \$ 14,221       | \$ 18,311       | \$ 29,496       | \$ 22,036       | \$ 26,054        | \$ 37,801       | \$ 36,532       | \$ 37,958       | \$ 35,455        | \$ 15,259       |
| Restricted cash                                     | 25,413          | 17,811          | 15,907          | 12,622          | 9,789            | 6,127           | 6,560           | 1,975           | 7,749            | 8,909           |
| Unrestricted and restricted investments             | 5,877           | 7,426           | 7,536           | 10,695          | 14,915           | 18,137          | 29,882          | 37,376          | 44,768           | 72,957          |
| Accounts receivable, net                            | 4,288           | 4,611           | 5,517           | 5,451           | 4,222            | 5,442           | 4,434           | 5,451           | 6,155            | 5,557           |
| Grants receivable                                   | -               | -               | -               | -               | -                | -               | 71              | 10              | -                | -               |
| Closure/postclosure funds held by trustee           | 21,548          | 22,660          | 23,647          | 24,662          | 25,988           | 27,670          | 29,315          | 30,815          | 31,179           | 30,643          |
| Sanitary Landfill, net of accum. deprec./depletion  | 21,146          | 28,049          | 22,739          | 33,351          | 29,422           | 47,884          | 44,306          | 45,830          | 50,840           | 47,944          |
| Buildings and equipment, net of accum. depreciation | 25,138          | 25,273          | 22,629          | 24,732          | 26,322           | 23,830          | 24,331          | 25,536          | 21,833           | 18,754          |
| Construction in progress                            | 8,647           | 1,848           | 8,714           | 609             | 3,579            | 96              | 2,568           | 6,848           | 4,666            | 5,415           |
| Land and land improvements                          | 18,163          | 18,745          | 18,745          | 23,719          | 23,719           | 23,907          | 24,207          | 24,207          | 24,207           | 24,207          |
| Lease receivable                                    | 3,640           | 1,770           | 747             | 698             | 648              | 598             | 547             | 495             | 443              | 337             |
| Net OPEB asset                                      | -               | -               | -               | -               | -                | -               | -               | -               | 936              | -               |
| Other assets  | 522             | 427             | 306             | 465             | 549              | 371             | 1,023           | 727             | 450              | 731             |
| <b>Total assets</b>                                 | <b>148,603</b>  | <b>146,931</b>  | <b>155,983</b>  | <b>159,040</b>  | <b>165,207</b>   | <b>191,863</b>  | <b>203,776</b>  | <b>217,228</b>  | <b>228,681</b>   | <b>230,713</b>  |
| Deferred outflows of resources:                     |                 |                 |                 |                 |                  |                 |                 |                 |                  |                 |
| Refundings  | 2,424           | 3,189           | 1,595           | 2,795           | 2,447            | 1,918           | 1,693           | 1,478           | 1,274            | 1,081           |
| Pension   | -               | 695             | 965             | 2,920           | 3,964            | 1,885           | 4,102           | 1,661           | 1,414            | 2,207           |
| OPEB  | -               | -               | -               | -               | 60               | 439             | 677             | 1,202           | 716              | 113             |
| <b>Total deferred outflows of resources</b>         | <b>\$ 2,424</b> | <b>\$ 3,884</b> | <b>\$ 2,560</b> | <b>\$ 5,715</b> | <b>\$ 6,471</b>  | <b>\$ 4,242</b> | <b>\$ 6,472</b> | <b>\$ 4,341</b> | <b>\$ 3,404</b>  | <b>\$ 3,401</b> |

Table 1 (continued)

|   | 2013               | 2014              | 2015             | 2016             | 2017             | Restated<br>2018 | 2019             | 2020              | Restated<br>2021  | 2022              |
|---|--------------------|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| <b>Liabilities</b>  |                    |                   |                  |                  |                  |                  |                  |                   |                   |                   |
| Accounts payable, deferred revenue, and unearned inc. \$                        | 3,787              | \$ 2,360          | \$ 5,479         | \$ 5,747         | \$ 3,167         | \$ 4,052         | \$ 4,229         | \$ 3,765          | \$ 6,195          | \$ 3,848          |
| Accrued wages and benefits  | 791                | 884               | 697              | 767              | 628              | 731              | 821              | 917               | 1,096             | 1,127             |
| SWACO grants payable  | 88                 | 32                | 4                | 45               | 11               | -                | -                | -                 | -                 | -                 |
| ERIP payable  | -                  | -                 | -                | -                | -                | -                | -                | -                 | -                 | -                 |
| Accrued interest  | 790                | 679               | 615              | 221              | 331              | 281              | 202              | 188               | 208               | 188               |
| Bonds and notes payable (Note 10)   | 133,064            | 122,532           | 112,691          | 99,696           | 91,174           | 82,441           | 77,497           | 71,466            | 65,347            | 60,125            |
| Capital lease obligation (Note 11)  | -                  | -                 | -                | -                | -                | -                | -                | -                 | -                 | 959               |
| Landfill closure/postclosure care liability (Note 12)                           | 22,651             | 23,105            | 20,411           | 21,224           | 22,237           | 14,458           | 17,438           | 17,925            | 19,738            | 18,043            |
| Net pension liability   | -                  | 5,548             | 5,679            | 7,584            | 10,106           | 7,083            | 12,915           | 9,413             | 7,384             | 4,446             |
| Net OPEB liability  | -                  | -                 | -                | -                | 4,822            | 5,222            | 6,517            | 6,900             | -                 | (1,685)           |
| Other   | 70                 | 51                | -                | 2                | 1                | 5                | 1                | -                 | 5                 | -                 |
| <b>Total liabilities</b>  | <b>161,241</b>     | <b>155,191</b>    | <b>145,576</b>   | <b>135,286</b>   | <b>132,477</b>   | <b>114,273</b>   | <b>119,620</b>   | <b>110,574</b>    | <b>99,973</b>     | <b>87,051</b>     |
| Deferred inflows of resources: pension  | -                  | -                 | 100              | 409              | 202              | 1,721            | 189              | 2,003             | 3,227             | 5,398             |
| Deferred inflows of resources: OPEB   | -                  | -                 | -                | -                | -                | 420              | 34               | 1,024             | 2,897             | 1,749             |
| Deferred Lease  | -                  | -                 | -                | -                | -                | -                | -                | -                 | -                 | 385               |
| <b>Total deferred inflows of resources</b>                                      | <b>-</b>           | <b>-</b>          | <b>100</b>       | <b>409</b>       | <b>202</b>       | <b>2,141</b>     | <b>223</b>       | <b>3,027</b>      | <b>6,124</b>      | <b>7,532</b>      |
| <b>Net position</b>   |                    |                   |                  |                  |                  |                  |                  |                   |                   |                   |
| Net investment in capital assets:   |                    |                   |                  |                  |                  |                  |                  |                   |                   |                   |
| WTEF, net of lease obligation and bonds payable                                 | (24,062)           | (19,441)          | (14,606)         | (9,671)          | (4,603)          | -                | -                | -                 | -                 | -                 |
| Other capital assets, net   | (8,069)            | (14,056)          | (17,875)         | (5,637)          | (1,834)          | 14,510           | 18,989           | 31,879            | 36,984            | 38,932            |
| Restricted:   |                    |                   |                  |                  |                  |                  |                  |                   |                   |                   |
| Closure/postclosure trust fund, net of<br>accrued liability - Sanitary Landfill | (573)              | (149)             | 3,334            | 3,437            | 3,751            | 13,213           | 11,877           | 12,891            | 11,492            | 12,688            |
| Other restricted, net   | 4,633              | 7,418             | 9,789            | 12,556           | 8,499            | 4,898            | 4,802            | 5,027             | 6,442             | 7,943             |
| Unrestricted  | 17,857             | 21,852            | 32,225           | 28,375           | 33,186           | 47,071           | 54,737           | 58,171            | 71,069            | 81,151            |
| <b>Total net position</b>   | <b>\$ (10,214)</b> | <b>\$ (4,376)</b> | <b>\$ 12,867</b> | <b>\$ 29,060</b> | <b>\$ 38,999</b> | <b>\$ 79,692</b> | <b>\$ 90,405</b> | <b>\$ 107,968</b> | <b>\$ 125,987</b> | <b>\$ 140,714</b> |

Equity accounts

<sup>1</sup>Totals may not add due to rounding.

Source: SWACO. All references to notes are to the Notes to Financial Statements beginning on page 2-23.

**SWACO**  
**Schedules of Revenues, Expenses, and Changes in Net Position - All Funds**  
**For Years Ended December 31, 2013 through 2022**  
**(in thousands)<sup>1</sup>**

|                                  | 2013      | 2014      | 2015      | 2016      | Restated<br>2017 | 2018      | 2019      | 2020      | 2021      | 2022      |
|----------------------------------|-----------|-----------|-----------|-----------|------------------|-----------|-----------|-----------|-----------|-----------|
| <b>Revenues:</b>                 |           |           |           |           |                  |           |           |           |           |           |
| Tipping and disposal fees        | \$ 29,217 | \$ 29,255 | \$ 30,302 | \$ 30,812 | \$ 37,361        | \$ 41,349 | \$ 41,730 | \$ 40,851 | \$ 42,772 | \$ 43,114 |
| Waste transfer fees              | 4,836     | 5,696     | 5,988     | 6,432     | 6,445            | 6,676     | 6,198     | 6,566     | 7,225     | 7,465     |
| Retired facility and waiver fees | 9,134     | 9,079     | 9,451     | 9,631     | 2,329            | -         | -         | -         | -         | -         |
| Generation fees                  | 5,074     | 5,045     | 5,258     | 5,362     | 5,610            | 5,984     | 6,002     | 5,907     | 6,181     | 6,165     |
| Sale of landfill gas             | -         | 676       | 2,086     | 2,708     | 4,722            | 6,823     | 3,441     | 4,348     | 8,637     | 7,784     |
| Other                            | 482       | 1,256     | 784       | 436       | 324              | 1,091     | 549       | 786       | 358       | 598       |
| Operating revenues               | 48,743    | 51,007    | 53,869    | 55,381    | 56,791           | 61,923    | 57,920    | 58,458    | 65,173    | 65,126    |
| <b>Expenses:</b>                 |           |           |           |           |                  |           |           |           |           |           |
| Salaries, wages and benefits     | 9,951     | 9,460     | 8,744     | 9,556     | 11,017           | 11,353    | 13,706    | 12,933    | 6,099     | 10,144    |
| Contracts, services and supplies | 10,768    | 11,373    | 10,474    | 11,853    | 12,276           | 13,724    | 13,946    | 13,627    | 16,179    | 18,522    |
| Solid waste fees                 | 4,766     | 5,012     | 5,153     | 5,279     | 5,495            | 5,801     | 5,848     | 5,760     | 6,029     | 6,043     |
| Depreciation and depletion       | 7,161     | 8,737     | 10,069    | 8,198     | 9,582            | (3,572)   | 8,802     | 7,898     | 14,103    | 12,849    |
| Landfill closing expenses        | 643       | 687       | (2,496)   | 911       | 1,014            | (7,780)   | 2,981     | 487       | 1,813     | (1,695)   |
| Other                            | (116)     | -         | -         | 324       | 159              | 237       | 370       | 252       | 112       | 204       |
| Operating expenses               | 33,173    | 35,269    | 31,944    | 36,121    | 39,543           | 19,763    | 45,653    | 40,957    | 44,335    | 46,067    |
| Operating income                 | \$ 15,570 | \$ 15,738 | \$ 21,925 | \$ 19,260 | \$ 17,248        | \$ 42,160 | \$ 12,267 | \$ 17,501 | \$ 20,838 | \$ 19,059 |

Table 2 (continued)

|   | 2013               | 2014              | 2015             | 2016             | Restated<br>2017 | 2018             | 2019             | 2020              | 2021              | 2022              |
|---|--------------------|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|-------------------|-------------------|
| <b>Non-operating revenues (expenses):</b>   |                    |                   |                  |                  |                  |                  |                  |                   |                   |                   |
| Interest expense                            | \$ (4,746)         | \$ (3,522)        | \$ (3,871)       | \$ (3,561)       | \$ (3,032)       | \$ (2,972)       | \$ (3,327)       | \$ (2,213)        | \$ (2,141)        | \$ (1,957)        |
| ERIP interest expense                       | (32)               | (3)               | -                | -                | -                | -                | -                | -                 | -                 | -                 |
| Deferred Outflows: Phoenix                  | -                  | -                 | (1,196)          | -                | -                | -                | -                | -                 | -                 | -                 |
| Interest earnings                           | 249                | 214               | 530              | 608              | 601              | 1,398            | 2,646            | 2,238             | (494)             | (2,682)           |
| Capital contributions received              | -                  | -                 | 1,105            | -                | -                | -                | -                | -                 | -                 | -                 |
| Grant revenues                              | 27                 | -                 | -                | -                | -                | -                | 367              | 236               | 18                | -                 |
| Grants awarded                              | (399)              | (147)             | (131)            | (215)            | (137)            | (126)            | (1,256)          | (548)             | (264)             | 73                |
| Bad debt expense                            | (2,500)            | (1,773)           | (8)              | -                | -                | -                | -                | -                 | -                 | -                 |
| Impairment of long-lived assets             | -                  | -                 | -                | -                | -                | -                | -                | -                 | -                 | -                 |
| Gain (loss) on disposal of assets           | (165)              | 184               | (1,110)          | 101              | 21               | 232              | 16               | 348               | 62                | 235               |
| <b>Total non-operating expenses</b>         | <b>(7,566)</b>     | <b>(5,047)</b>    | <b>(4,681)</b>   | <b>(3,067)</b>   | <b>(2,547)</b>   | <b>(1,468)</b>   | <b>(1,554)</b>   | <b>61</b>         | <b>(2,819)</b>    | <b>(4,331)</b>    |
| Change in net position                      | 8,004              | 10,691            | 17,244           | 16,193           | 14,701           | 40,692           | 10,713           | 17,562            | 18,019            | 14,728            |
| Total net position - beginning              | (18,218)           | (10,214)          | (4,377)          | 12,867           | 29,060           | 38,999           | 79,691           | 90,405            | 107,967           | 125,986           |
| Change in accounting principle <sup>2</sup> | -                  | (4,853)           | -                | -                | (4,762)          | -                | -                | -                 | -                 | -                 |
| <b>Total net position - ending</b>          | <b>\$ (10,214)</b> | <b>\$ (4,376)</b> | <b>\$ 12,867</b> | <b>\$ 29,060</b> | <b>\$ 38,999</b> | <b>\$ 79,691</b> | <b>\$ 90,404</b> | <b>\$ 107,967</b> | <b>\$ 125,986</b> | <b>\$ 140,714</b> |

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> SWACO implemented the provisions of GASB Statement No. 68 in 2015 and as a result of the change in accounting principle, recorded a restatement in 2014 net position. and GASB Statement No. 75 in 2018 and a result of the change in accounting principle, recorded a restatement in 2017 net position.

Source: SWACO

**SWACO**  
**Schedule of Revenues, Expenses and Changes in Net Position**  
**2022 Budget to Actual (in thousands)<sup>1</sup>**

|   | Operating Fund  |                |           | Program Fund    |                |        | All Funds Total |                |           |                                     |
|---|-----------------|----------------|-----------|-----------------|----------------|--------|-----------------|----------------|-----------|-------------------------------------|
|   | Original Budget | Amended Budget | Actual    | Original Budget | Amended Budget | Actual | Original Budget | Amended Budget | Actual    | Budget Variance Positive (Negative) |
| <b>Operating revenues:</b>                |                 |                |           |                 |                |        |                 |                |           |                                     |
| Tipping and disposal fees                 | \$ 42,839       | \$ 42,839      | \$ 43,114 | \$ -            | \$ -           | \$ -   | \$ 42,839       | \$ 42,839      | \$ 43,114 | \$ 275                              |
| Waste transfer fees                       | 7,146           | 7,146          | 7,465     | -               | -              | -      | 7,146           | 7,146          | 7,465     | 319                                 |
| Generation fees                           | -               | -              | -         | 6,128           | 6,128          | 6,165  | 6,128           | 6,128          | 6,165     | 37                                  |
| Sale of landfill gas                      | 8,217           | 8,217          | 7,784     | -               | -              | -      | 8,217           | 8,217          | 7,784     | (433)                               |
| Interfund charges <sup>3</sup>            | -               | -              | 204       | -               | -              | -      | -               | -              | 204       | 204                                 |
| Other <sup>3</sup>                        | -               | -              | 313       | -               | -              | 81     | -               | -              | 394       | 394                                 |
| Total operating revenues                  | 58,202          | 58,202         | 58,880    | 6,128           | 6,128          | 6,246  | 64,330          | 64,330         | 65,126    | 796                                 |
| <b>Operating expenses:</b>                |                 |                |           |                 |                |        |                 |                |           |                                     |
| Salaries, wages and benefits <sup>2</sup> | 11,249          | 11,249         | 11,245    | 1,380           | 1,380          | 1,260  | 12,629          | 12,629         | 12,505    | 124                                 |
| Contracts, services and supplies          | 12,998          | 12,998         | 14,868    | 4,427           | 4,427          | 3,716  | 17,425          | 17,425         | 18,584    | (1,159)                             |
| Solid waste fees                          | 6,165           | 6,165          | 6,043     | -               | -              | -      | 6,165           | 6,165          | 6,043     | 122                                 |
| Depreciation <sup>3</sup>                 | -               | -              | 5,124     | -               | -              | 91     | -               | -              | 5,215     | (5,215)                             |
| Amortization of Leases                    | -               | -              | 87        | -               | -              | -      | -               | -              | 87        | (87)                                |
| Depletion <sup>3</sup>                    | -               | -              | 7,548     | -               | -              | -      | -               | -              | 7,548     | (7,548)                             |
| Landfill closing costs <sup>3</sup>       | -               | -              | (1,695)   | -               | -              | -      | -               | -              | (1,695)   | 1,695                               |
| Interfund charges <sup>3</sup>            | -               | -              | -         | -               | -              | 204    | -               | -              | 204       | 204                                 |
| Total operating expenses                  | 30,412          | 30,412         | 43,220    | 5,807           | 5,807          | 5,271  | 36,219          | 36,219         | 48,491    | (12,272)                            |
| Operating income                          | \$ 27,790       | \$ 27,790      | \$ 15,660 | \$ 321          | \$ 321         | \$ 975 | \$ 28,111       | \$ 28,111      | \$ 16,636 | \$ (11,475)                         |

Table 3 (continued)

|  | Operating Fund   |                  |                   | Program Fund    |                |                 | All Funds Total  |                  |                   |                                     |
|--|------------------|------------------|-------------------|-----------------|----------------|-----------------|------------------|------------------|-------------------|-------------------------------------|
|  | Original Budget  | Amended Budget   | Actual            | Original Budget | Amended Budget | Actual          | Original Budget  | Amended Budget   | Actual            | Budget Variance Positive (Negative) |
| <b>Non-operating revenues (expenses):</b>      |                  |                  |                   |                 |                |                 |                  |                  |                   |                                     |
| Interest expense                               | \$ -             | \$ -             | \$ (1,957)        | \$ -            | \$ -           | \$ -            | \$ -             | \$ -             | \$ (1,957)        | \$ (1,957)                          |
| Interest earnings                              | -                | -                | (2,763)           | -               | -              | 81              | -                | -                | (2,682)           | (2,682)                             |
| Grants awarded                                 | 75               | 75               | -                 | 272             | 272            | 15              | 347              | 347              | 15                | (332)                               |
| Gain (loss) on disposal of assets              | -                | -                | 29                | -               | -              | 205             | -                | -                | 234               | 234                                 |
| <b>Total non-operating revenues (expenses)</b> | <b>75</b>        | <b>75</b>        | <b>(4,691)</b>    | <b>272</b>      | <b>272</b>     | <b>301</b>      | <b>347</b>       | <b>347</b>       | <b>(4,390)</b>    | <b>(4,737)</b>                      |
| <br>   |                  |                  |                   |                 |                |                 |                  |                  |                   |                                     |
| Change in net position                         | 27,865           | 27,865           | 13,281            | 593             | 593            | 1,276           | 28,458           | 28,458           | 12,246            | (16,212)                            |
| Total net position - beginning (restated)      | -                | -                | 119,107           | -               | -              | 6,880           | -                | -                | 125,987           | 125,987                             |
| Total net position - ending                    | <u>\$ 27,865</u> | <u>\$ 27,865</u> | <u>\$ 132,388</u> | <u>\$ 593</u>   | <u>\$ 593</u>  | <u>\$ 8,156</u> | <u>\$ 28,458</u> | <u>\$ 28,458</u> | <u>\$ 138,233</u> | <u>\$ 109,775</u>                   |

<sup>1</sup> Totals may not add due to rounding.

<sup>2</sup> Note - Salaries, wages and benefits significantly under budget due to GASB 68 Pension Liability Expense and GASB 75 OPEB expense calculation.

<sup>3</sup> Note - items indicated were not budgeted as they are non-cash items.

Source: SWACO



Table 4

**SWACO**  
**Solid Waste Received and Landfilled 2013 - 2022 (in tons)<sup>2</sup>**

|   | <b>2013</b> | <b>2014</b> | <b>2015</b> | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> | <b>2021</b> | <b>2022</b> |
|---|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Solid waste received by SWACO:                                |             |             |             |             |             |             |             |             |             |             |
| Jackson Pike Transfer Station                                 | 163,360     | 241,938     | 233,331     | 263,927     | 261,643     | 255,130     | 236,381     | 258,653     | 290,129     | 320,503     |
| Morse Road Transfer Station                                   | 153,507     | 212,358     | 245,239     | 251,196     | 254,338     | 278,781     | 258,607     | 266,324     | 288,013     | 278,562     |
| Georgesville Road Transfer Station                            | 67,680      | -           | -           | -           | -           | -           | -           | -           | -           | -           |
| Subtotal Transfer stations                                    | 384,547     | 454,296     | 478,570     | 515,123     | 515,981     | 533,911     | 494,987     | 524,977     | 578,142     | 599,065     |
| Sanitary Landfill   | 637,150     | 563,149     | 590,242     | 575,679     | 621,368     | 694,033     | 745,449     | 652,784     | 652,401     | 639,530     |
| Total solid waste received by SWACO                           | 1,021,697   | 1,017,445   | 1,068,812   | 1,090,802   | 1,137,349   | 1,227,945   | 1,240,437   | 1,177,761   | 1,230,543   | 1,238,595   |
| Adjustments <sup>1</sup>                                      | (1,569)     | (706)       | (5,384)     | (6,424)     | (5,680)     | (6,182)     | (7,189)     | (6,300)     | (10,422)    | (7,430)     |
| Solid waste landfilled - Franklin<br>County Sanitary Landfill | 1,020,128   | 1,016,739   | 1,063,428   | 1,084,378   | 1,131,669   | 1,221,763   | 1,233,248   | 1,171,461   | 1,220,121   | 1,231,165   |

<sup>1</sup> Adjustments - carryover related to end of year inventory at transfer stations and shrinkage due to loss of water or removed from waste stream.

<sup>2</sup> Totals may not add due to rounding.

Source: SWACO

**SWACO**  
**Top Ten Customers 2013 - 2022**  
**(tons received)<sup>3,4</sup>**

| <b>Customer</b>                                   | <b>2013</b>    | <b>2014</b>    | <b>2015</b>    | <b>2016</b>      | <b>2017</b>      | <b>2018</b>      | <b>2019</b>      | <b>2020</b>      | <b>2021</b>      | <b>2022</b>      |
|---|----------------|----------------|----------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| City of Columbus Refuse Collection                | 288,222        | 291,520        | 304,062        | 306,795          | 314,531          | 321,067          | 315,860          | 343,122          | 335,297          | 312,824          |
| Rumpke Waste/Rumpke Container/Rumpke Transfer     | 200,356        | 199,429        | 183,801        | 179,740          | 192,356          | 197,379          | 195,464          | 196,394          | 218,236          | 229,449          |
| Local Waste Services LLC                          | 104,554        | 106,680        | 118,260        | 119,146          | 129,046          | 144,559          | 147,378          | 134,298          | 141,113          | 156,630          |
| Republic Waste Systems                            | 181,551        | 194,333        | 208,005        | 209,926          | 207,613          | 207,129          | 188,562          | 153,407          | 163,037          | 156,095          |
| Waste Management of Ohio                          | 133,553        | 109,110        | 104,273        | 110,139          | 121,036          | 125,032          | 120,614          | 105,147          | 98,514           | 86,577           |
| Grass Groomers                                    | #              | #              | #              | 6,451            | 19,339           | 37,097           | 45,535           | 42,210           | 59,899           | 69,310           |
| Granite Construction Company                      | #              | #              | #              | #                | #                | #                | #                | #                | #                | 22,106           |
| Columbus Auto Shredding Inc.                      | 4,892          | 8,184          | 23,630         | 12,902           | 15,140           | 37,885           | 40,672           | 30,667           | 25,005           | 14,092           |
| Alpha Waste Services                              | *              | *              | *              | *                | #                | #                | 7,277            | 9,570            | 10,879           | 13,027           |
| Site Services Group LLC                           | *              | *              | *              | *                | *                | *                | #                | #                | 8,465            | 7,475            |
| Capitol Waste & Recycling                         | #              | 25,016         | 33,551         | 38,777           | 37,617           | 41,253           | 46,482           | 44,605           | 46,834           | #                |
| City of Columbus Street Engineer                  | 9,118          | 9,855          | 9,438          | 7,399            | 7,352            | 7,168            | 6,076            | 4,269            | #                | #                |
| Westrock  | *              | *              | *              | #                | #                | 6,680            | #                | #                | #                | #                |
| City of Upper Arlington                           | 6,702          | 6,964          | 7,158          | #                | #                | #                | #                | #                | #                | #                |
| City/Southerly Waste Water Plant                  | #              | #              | 4,161          | #                | #                | #                | #                | #                | #                | #                |
| Mars Petcare U.S./Northstar Recycling Comp        | 6,288          | 5,782          | #              | *                | *                | *                | *                | #                | *                | *                |
| <b>Total Top Ten Customers</b>                    | <b>939,003</b> | <b>956,872</b> | <b>996,337</b> | <b>1,002,615</b> | <b>1,049,044</b> | <b>1,125,250</b> | <b>1,113,920</b> | <b>1,063,689</b> | <b>1,107,279</b> | <b>1,067,586</b> |
| Total tons received by SWACO <sup>1</sup>         | 1,021,697      | 1,017,445      | 1,068,812      | 1,090,802        | 1,137,349        | 1,227,945        | 1,240,437        | 1,177,761        | 1,230,543        | 1,238,595        |
| Top Ten customer % of total received              | 92%            | 94%            | 93%            | 92%              | 92%              | 92%              | 90%              | 90%              | 90%              | 86%              |
| Total tons generated within District <sup>2</sup> | 1,031,688      | 1,023,487      | 1,082,034      | 1,104,074        | 1,150,337        | 1,243,519        | 1,256,011        | 1,206,076        | 1,255,469        | 1,252,131        |
| Top Ten customer % of total waste disposal        | 91%            | 93%            | 92%            | 91%              | 91%              | 90%              | 89%              | 88%              | 88%              | 85%              |

<sup>1</sup> Includes both in-district and out-of-district waste.

<sup>2</sup> Total solid waste received at SWACO facilities and waste generated within the District that is hauled to an out-of-district facility.

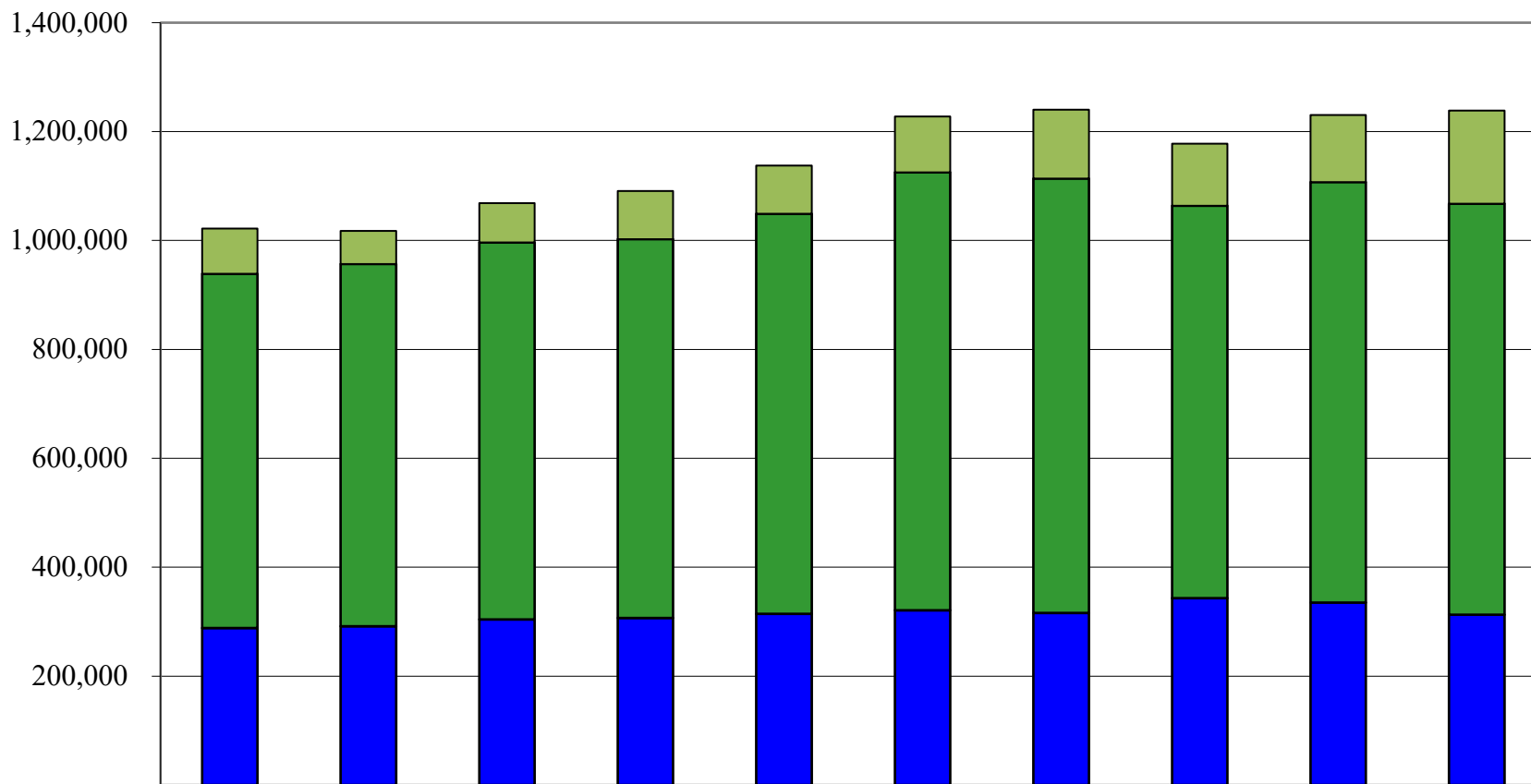
<sup>3</sup> Totals may not add due to rounding.

# Waste received from these customers is not reported when they are not ranked in the top ten.

\* Indicates the waste hauler was not a SWACO customer in the year indicated.

<sup>4</sup> Table updated to reflect name changes and updated values.

**SWACO Waste Receipts (Tons) 2013 - 2022**



|                                     | 2013    | 2014    | 2015    | 2016    | 2017    | 2018    | 2019    | 2020    | 2021    | 2022    |
|-------------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| All others                          | 82,694  | 60,573  | 72,475  | 88,187  | 88,304  | 102,695 | 126,517 | 114,072 | 123,264 | 171,009 |
| Rest of Top Ten*                    | 650,781 | 665,352 | 692,276 | 695,820 | 734,513 | 804,183 | 798,060 | 720,567 | 771,982 | 754,762 |
| City of Columbus Refuse Collection* | 288,222 | 291,520 | 304,062 | 306,795 | 314,531 | 321,067 | 315,860 | 343,122 | 335,297 | 312,824 |

Source: SWACO

\*See notes to Table 5.

\*Prior year amounts updated.

**SWACO**  
**Disposal Rates 1992-2022**

Table 6

| Effective Date         | Franklin County Landfill | Jackson Pike Transfer <sup>2</sup> | Morse Road Transfer | Georgesville Rd. Transfer | Alum Creek Transfer | Compost Facilities | Charge Unit |
|------------------------|--------------------------|------------------------------------|---------------------|---------------------------|---------------------|--------------------|-------------|
| 4/1/1993               | 7.50                     | 7.50                               | 7.50                | 7.50                      | 7.50                | -                  | Cu. Yard    |
| 7/1/1993               | 13.25                    | 13.00                              | 13.50               | 13.00                     | 13.00               | -                  | Cu. Yard    |
| 6/1/1994 <sup>3</sup>  | 49.00                    | 49.00                              | 49.00               | 49.00                     | 49.00               | -                  | Ton         |
| 9/1/1994               | 32.00                    | 32.00                              | 32.00               | 32.00                     | 32.00               | -                  | Ton         |
| 11/1/1994 <sup>4</sup> | 37.00                    | 37.00                              | 37.00               | 37.00                     | Closed              | -                  | Ton         |
| 2/7/1996               | 33.00                    | 37.00                              | 44.00               | 40.00                     | -                   | -                  | Ton         |
| 3/11/1996              | 30.00                    | 34.00                              | 41.00               | 37.00                     | -                   | -                  | Ton         |
| 5/8/1996               | 27.00                    | 31.00                              | 38.00               | 34.00                     | -                   | -                  | Ton         |
| 4/8/1998 <sup>5</sup>  | 20.00                    | 30.00                              | 31.00               | 31.00                     | -                   | -                  | Ton         |
| 4/1/1999 <sup>6</sup>  | 27.00                    | 37.00                              | 38.00               | 38.00                     | -                   | -                  | Ton         |
| 10/4/1999              | 27.00                    | 37.00                              | 38.00               | 38.00                     | -                   | 6.00 <sup>7</sup>  | Ton         |
| 1/1/2005               | 29.25                    | 40.25                              | 41.25               | 41.25                     | -                   | 6.00               | Ton         |
| 7/1/2005 <sup>8</sup>  | 30.75                    | 41.75                              | 42.75               | 42.75                     | -                   | 6.00               | Ton         |
| 1/1/2006               | 32.25                    | 44.25                              | 45.25               | 45.25                     | -                   | 6.00               | Ton         |
| 1/1/2007               | 33.50                    | 45.50                              | 46.50               | 46.50                     | -                   | 6.00               | Ton         |
| 1/1/2008               | 33.50                    | 45.50                              | 46.50               | 46.50                     | -                   | 6.00               | Ton         |
| 1/1/2009               | 35.50                    | 47.50                              | 48.50               | 48.50                     | -                   | 6.00               | Ton         |
| 8/1/2009 <sup>9</sup>  | 36.75                    | 48.75                              | 49.75               | 49.75                     | -                   | 6.00 <sup>10</sup> | Ton         |
| 1/1/2011 <sup>11</sup> | 39.75                    | 51.75                              | 52.75               | 52.75                     | -                   | -                  | Ton         |
| 1/1/2012               | 42.75                    | 54.75                              | 55.75               | 55.75                     | -                   | -                  | Ton         |
| 4/1/2017 <sup>12</sup> | \$ 39.75                 | \$ 51.75                           | \$ 52.75            | Closed                    | \$ -                | \$ -               | Ton         |

<sup>1</sup>Prior to 2/1/91 SWACO operated no facilities and was funded by a \$.40/cubic yard district fee levied at all landfills located in the district (the County landfill and one private landfill).

<sup>2</sup> Prior to November 1, 1994, this was the Waste-to-Energy Facility.

<sup>3</sup> This fee was repealed effective September 1, 1994 and replaced with a fee of \$32 per ton.

<sup>4</sup> Beginning August 2, 1994, all rates include a \$.50/ton generation fee.

<sup>5</sup> This rate is the rate for customers under contract with SWACO. Beginning 4/8/1998 and ending 12/31/2004 there was a non-contract rate of \$2.25 per ton more than the rate shown.

<sup>6</sup> Rates include Retired Facility fee of \$7 per ton.

<sup>7</sup> Transfer fee for commercial loads delivered to Bill R. Holbrook Compost Facility beginning 10/4/1999. Effective March 1, 2005, a fee of \$6.00 was implemented for commercial loads at all compost facilities.

<sup>8</sup> Rate reflects \$1.50 per ton EPA rate increase.

<sup>9</sup> Rate reflects \$1.25 per ton EPA rate increase.

<sup>10</sup> Compost facility was closed December 2009.

<sup>11</sup> In September 2010, the SWACO Board of Trustees approved a rate increase of \$3.00 per ton effective January 1, 2011, and an additional increase of \$3.00 per ton effective January 1, 2012.

<sup>12</sup> Effective April 1, 2017 the rate reflects an elimination of the \$7.00 Waste-to-Energy Facility, and an additional \$4.00 for a net decrease of \$3.00.

**SWACO**  
**Franklin County Sanitary Landfill Airspace Capacity**  
**Total Permitted, Annual Used, and Permitted Remaining 2013-2022**  
**(cubic yards)**

| Year | Total Permitted<br>Airspace | Annual<br>Airspace Used | Permitted<br>Airspace<br>Remaining |
|------|-----------------------------|-------------------------|------------------------------------|
| 2013 | 51,900,000 <sup>1</sup>     | 942,511                 | 35,008,572                         |
| 2014 | 51,900,000 <sup>1</sup>     | 1,109,792               | 33,898,780                         |
| 2015 | 51,900,000 <sup>1</sup>     | 1,174,004               | 32,724,776                         |
| 2016 | 51,900,000 <sup>1</sup>     | 1,284,020               | 31,440,756                         |
| 2017 | 51,900,000 <sup>1</sup>     | 1,411,139               | 30,029,617                         |
| 2018 | 97,000,000                  | 1,285,802               | 73,666,434 <sup>3</sup>            |
| 2019 | 97,000,000                  | 1,550,262               | 72,112,052                         |
| 2020 | 97,000,000                  | 1,520,483               | 71,038,214                         |
| 2021 | 97,000,000                  | 1,519,414               | 69,695,853                         |
| 2022 | 97,000,000                  | 1,727,895               | 68,287,384                         |

At Maximum  
Permitted Receipts<sup>2</sup>

At 2022 Receipts

Remaining landfill life

21.5

39.5

<sup>1</sup> Total permitted airspace includes 3.5 million additional cubic yards for the OEPA 2009 permit.

<sup>2</sup> Maximum 8,000 tons per day or 2,288,000 annual tons per OEPA permit. Assumes a compaction rate of 1,450 pounds per cubic yard.

<sup>3</sup> In May of 2018, the Ohio EPA granted SWACO a new Permit to Install (PTI). The new PTI raised the total permitted airspace to 97,000,000

Source: SWACO

**SWACO**  
**Generation Fee Tonnage Reported 2013 - 2022<sup>1</sup>**

| Facilities         | 2013      | 2014      | 2015      | 2016 <sup>3</sup> | 2017 <sup>2,3</sup> | 2018      | 2019      | 2020 <sup>4</sup> | 2021      | 2022      |
|--------------------|-----------|-----------|-----------|-------------------|---------------------|-----------|-----------|-------------------|-----------|-----------|
| SWACO              | 1,004,807 | 1,002,940 | 1,038,319 | 1,059,238         | 1,134,798           | 1,181,437 | 1,185,564 | 1,174,179         | 1,230,543 | 1,238,595 |
| Republic Waste     | 3,812     | 4,868     | 4,117     | 5,491             | 6,027               | 4,684     | 5,704     | 5,249             | 2,042     | 2,395     |
| Rumpke Waste       | 235       | 92        | 54        | 22                | 5                   | -         | -         | -                 | 21        | -         |
| Waste Management   | 5,740     | 894       | 8,583     | 7,642             | 6,891               | 10,517    | 9,123     | 2,170             | 3,634     | 3,156     |
| Other              | 204       | 188       | 468       | 116               | 64                  | 373       | 66        | 43                | 76        | 18        |
| Total <sup>5</sup> | 1,014,798 | 1,008,982 | 1,051,541 | 1,072,509         | 1,147,786           | 1,197,011 | 1,200,456 | 1,181,641         | 1,236,317 | 1,244,164 |

<sup>1</sup> The Generation Fee is charged on all solid waste generated within SWACO's jurisdiction and disposed in a sanitary landfill located in Ohio. Certain solid waste is exempt from the fee. The current \$5.00 per ton Generation Fee was enacted effective November 1, 1994. An interfund transfer is performed on certain materials to credit the Generation Fee where no funds are collected, yet the waste is subject to the fee.

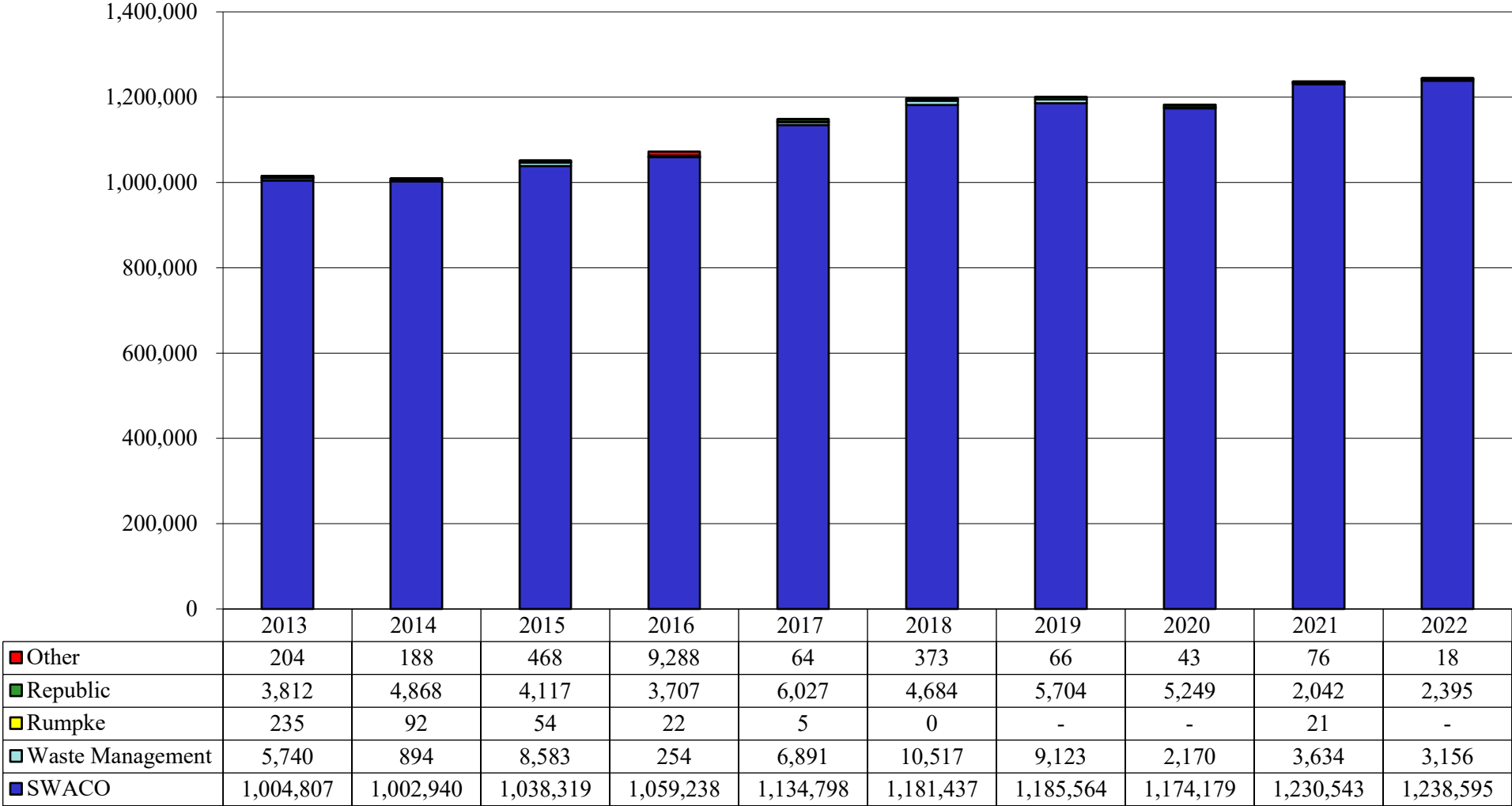
<sup>2</sup> 2017 includes tonnage from prior periods that did not include Generation Fee revenue, but an allocation was performed to collect the Generation Fee \$5 per ton per an interfund transfer.

<sup>3</sup> Adjusted totals for each facility, total amount for all remains the same.

<sup>4</sup> Updated tonnage amounts.

<sup>5</sup> Totals may not add due to rounding.

**SWACO**  
**Generation Fee Tonnage Reported 2013 - 2022**



Source: SWACO  
\*See notes to Table 8.

Table 9

**SWACO**  
**SWACO Program Activity - Tons Collected 2013-2022**

|                               | 2013           | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           |
|-------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Total tons of waste recycled: |                |                |                |                |                |                |                |                |                |                |
| Yard waste composting         | 238,242        | 204,038        | 170,960        | 291,519        | 334,422        | 348,282        | 297,528        | 268,659        | 305,741        | 434,859        |
| Drop-off recycling            | 10,136         | 9,524          | 9,087          | 8,575          | 7,088          | 6,017          | 5,590          | 6,008          | 6,125          | 5,502          |
| Household hazardous waste     | 197            | 170            | 383            | 260            | 252            | 194            | 250            | 330            | 353            | 334            |
| Tire collection               | 113            | 94             | 93             | n/a            | n/a            | n/a            | n/a            | n/a            | n/a            | 32             |
| Scrap metal recycling         | 8              | 89             | 5              | 82             | 46             | 46             | 48             | n/a            | 16             | 92             |
| <b>Total<sup>2</sup></b>      | <b>248,696</b> | <b>213,915</b> | <b>180,528</b> | <b>300,436</b> | <b>341,808</b> | <b>354,538</b> | <b>303,416</b> | <b>274,997</b> | <b>312,234</b> | <b>440,819</b> |

**Tires and White Goods Received 2013- 2022<sup>1</sup>**

|                    | 2013   | 2014   | 2015   | 2016   | 2017   | 2018  | 2019  | 2020  | 2021  | 2022  |
|--------------------|--------|--------|--------|--------|--------|-------|-------|-------|-------|-------|
| Tires (each)       | 15,688 | 13,712 | 12,267 | 14,388 | 12,735 | 8,860 | 9,496 | 7,794 | 4,063 | 6,119 |
| White goods (each) | 141    | 115    | 269    | 486    | 412    | 533   | 486   | 647   | 491   | 1,110 |

<sup>1</sup> Tires and white goods received by SWACO are removed from the waste stream and recycled. White goods are large appliances such as refrigerators, washing machines and clothes dryers.

<sup>2</sup> Totals may not add due to rounding.

Source: SWACO



**SWACO**  
**Household Hazardous Waste Collection 2013 - 2022**  
**(in pounds)**

| <b>Material classification</b> | <b>2013</b>    | <b>2014</b>    | <b>2015</b>    | <b>2016</b>    | <b>2017</b>    | <b>2018</b>    | <b>2019</b>    | <b>2020</b>    | <b>2021</b>    | <b>2022</b>    |
|--------------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Bulked flammables              | 129,543        | 93,729         | 136,594        | 95,917         | 122,770        | 98,859         | 119,659        | 133,644        | 150,681        | 135,128        |
| Paint                          | 63,256         | 70,535         | 388,821        | 192,707        | 92,030         | 52,275         | 75,345         | 133,356        | 205,976        | 153,788        |
| Aerosol-pesticides             | 44,873         | 34,597         | 69,603         | 52,600         | 70,803         | 53,220         | 77,988         | 100,457        | 90,843         | 78,366         |
| Used oil /antifreeze           | 39,934         | 38,665         | 33,598         | 46,261         | 31,225         | 48,644         | 54,151         | 62,706         | 47,835         | 50,987         |
| Putty & adhesives              | 38,267         | 24,167         | 37,570         | 35,837         | 44,795         | 33,174         | 40,603         | 48,544         | 44,994         | 58,013         |
| Aerosol-flammables             | 18,617         | 14,285         | 25,152         | 22,048         | 26,056         | 22,789         | 31,272         | 19,266         | 31,682         | 27,263         |
| Household cleaners             | 15,295         | 11,193         | 16,456         | 15,673         | 16,912         | 16,618         | 22,070         | 26,626         | 19,593         | 24,858         |
| Lead/acid batteries            | 12,214         | 9,443          | 14,251         | 19,877         | 21,330         | 16,983         | 21,508         | 26,561         | 23,747         | 20,771         |
| Acids/bases                    | 7,148          | 13,124         | 14,231         | 8,695          | 11,701         | 9,543          | 14,457         | 19,896         | 18,030         | 17,266         |
| Fluorescent light bulbs        | 7,043          | 9,026          | 8,264          | 7,947          | 9,579          | 8,950          | 9,544          | 11,993         | 11,487         | 12,071         |
| Dry cell batteries             | 5,326          | 8,994          | 11,057         | 12,216         | 12,378         | 9,766          | 10,175         | 15,925         | 7,926          | 15,846         |
| Propane cylinders              | 2,077          | 2,915          | 3,544          | 3,013          | 3,139          | 2,682          | 4,475          | 4,810          | 3,436          | 3,959          |
| Oxidizers                      | 1,988          | 3,310          | 3,903          | 3,673          | 5,023          | 6,174          | 7,242          | 8,291          | 6,886          | 10,624         |
| NiCad batteries                | 1,724          | 660            | 508            | 1,036          | 1,187          | 1,230          | 1,403          | 2,138          | 1,687          | 1,761          |
| Lithium batteries              | 1,720          | 505            | 348            | 1,090          | 1,099          | 1,387          | 1,328          | 3,309          | 2,853          | 4,402          |
| Reactive lab pack/alum paint   | 799            | 254            | 558            | 1,033          | 554            | 741            | 431            | 1,832          | 1,912          | 11,570         |
| Fire extinguishers             | 600            | 683            | 827            | 431            | 1,157          | 849            | 962            | 1,219          | 1,378          | 1,679          |
| Elemental mercury              | 257            | 215            | 118            | 75             | 216            | 445            | 367            | 459            | 540            | 740            |
| Poisons                        | 239            | 1,385          | 767            | 239            | 924            | 83             | 857            | 2,382          | 205            | 910            |
| Cylinders                      | 66             | 821            | 90             | 90             | 296            | 91             | 197            | 262            | 245            | -              |
| Freon                          | -              | 252            | 1              | 1              | 242            | 187            | 17             | 138            | 51             | 65             |
| Miscellaneous waste            | 3,987          | 1,481          | 383            | 644            | 1,419          | 272            | 2,717          | 443            | 2,048          | -              |
| Asbestos                       | 1              | -              | -              | -              | 2              | -              | 1              | -              | 77             | 49             |
| Lab pack A                     | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Lab pack B                     | -              | -              | -              | -              | -              | -              | -              | -              | -              | -              |
| Loosepack fuels                | -              | -              | -              | -              | -              | -              | 2,984          | 35,605         | 30,925         | -              |
| <b>Total:</b>                  | <b>394,974</b> | <b>340,239</b> | <b>766,644</b> | <b>521,103</b> | <b>474,837</b> | <b>384,962</b> | <b>499,753</b> | <b>659,862</b> | <b>705,037</b> | <b>630,116</b> |

**SWACO**  
**Number of Employees by Function 2013-2022<sup>2</sup>**

| <b>Function</b>         | <b>2013</b> | <b>2014<sup>1</sup></b> | <b>2015<sup>1</sup></b> | <b>2016<sup>1</sup></b> | <b>2017<sup>1</sup></b> | <b>2018<sup>1</sup></b> | <b>2019<sup>1</sup></b> | <b>2020</b>  | <b>2021</b>  | <b>2022</b>  |
|-------------------------|-------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|--------------|--------------|--------------|
| Administration          | 23          | 12.5                    | 17                      | 14                      | 17                      | 18                      | 17.5                    | 15.5         | 17.5         | 16.5         |
| Operations <sup>3</sup> | 86          | 83                      | 83.5                    | 85                      | 85.5                    | 85.5                    | 89                      | 89           | 92           | 95           |
| Programs                | 5           | 2.5                     | 4.5                     | 4.5                     | 5                       | 4                       | 6                       | 6            | 8            | 8            |
| <b>Total</b>            | <b>114</b>  | <b>98</b>               | <b>105</b>              | <b>103.5</b>            | <b>107.5</b>            | <b>107.5</b>            | <b>112.5</b>            | <b>110.5</b> | <b>117.5</b> | <b>119.5</b> |

<sup>1</sup> Part-time employees counted as half (0.5) regardless of the number of hours worked per week.

<sup>2</sup> Employees working in 2 or more departments are reported in the department in which the highest percentage of their time is worked.

<sup>3</sup> Drop Box Recycling is funded by the Program Fund, but is included in Operations.

Source: SWACO

**SWACO**  
**Series 2012 Solid Waste Facility Improvements and Refunding Bonds**

Table 12

| Year  | Principal    | Coupon | Interest  | Total Debt Service |
|-------|--------------|--------|-----------|--------------------|
| 2023  | \$ 1,265,000 | 5.000% | \$ 63,250 | \$ 1,328,250       |
| Total | \$ 1,265,000 |        | \$ 63,250 | \$ 1,328,250       |

Net interest cost (%) 2.750%

Totals may not add due to rounding.

Note: Series 2013B refunded \$7,005,000 of the outstanding \$79,015,000 Series 2012 bonds in 2013.

Note: Series 2016 refunded \$19,795,000 of the outstanding \$57,920,000 Series 2012 bonds in 2016.

Note: Series 2019 refunded \$15,515,000 of the outstanding \$25,390,000

Source: SWACO; see Note 10 to the financial statements.

**SWACO**  
**Series 2013A Solid Waste Facility Improvements and Refunding Bonds**

| Year  | Principal           | Coupon | Interest          | Total Debt Service  |
|-------|---------------------|--------|-------------------|---------------------|
| 2023  | \$ 865,000          | 4.000% | \$ 130,200        | \$ 995,200          |
| 2024  | 960,000             | 4.000% | 95,600            | 1,055,600           |
| 2025  | 935,000             | 4.000% | 57,200            | 992,200             |
| 2026  | 495,000             | 4.000% | 19,800            | 514,800             |
| Total | <u>\$ 3,255,000</u> |        | <u>\$ 302,800</u> | <u>\$ 3,557,800</u> |

Net interest cost (%) 2.731%

Totals may not add due to rounding.

Source: SWACO; see Note 10 to the financial statements.

Table 14

**SWACO**  
**Series 2013B Solid Waste Facility Improvements and Refunding Bonds**

| Year  | Principal    | Coupon | Interest   | Total Debt<br>Service |
|-------|--------------|--------|------------|-----------------------|
| 2023  | \$ 450,000   | 4.000% | \$ 91,100  | \$ 541,100            |
| 2024  | 460,000      | 4.125% | 73,100     | 533,100               |
| 2025  | 485,000      | 4.250% | 54,125     | 539,125               |
| 2026  | 370,000      | 4.375% | 33,513     | 403,513               |
| 2027  | 385,000      | 4.500% | 17,325     | 402,325               |
| Total | \$ 2,150,000 |        | \$ 269,163 | \$ 2,419,163          |

Net interest cost (%)                      2.710%

Totals may not add due to rounding.

Note: Series 2019 refunded \$2,545,000 of the outstanding \$79,015,000 Series 2012 bonds in 2013.

Source: SWACO; see Note 10 to the financial statements.

Table 15

**SWACO**  
**Series 2016 Solid Waste Facilities Refunding Bonds**

| Year  | Principal            | Coupon | Interest            | Total Debt<br>Service |
|-------|----------------------|--------|---------------------|-----------------------|
| 2023  | \$ 3,075,000         | 5.000% | \$ 1,455,500        | \$ 4,530,500          |
| 2024  | 4,425,000            | 5.000% | 1,301,750           | 5,726,750             |
| 2025  | 4,785,000            | 5.000% | 1,080,500           | 5,865,500             |
| 2026  | 4,075,000            | 5.000% | 841,250             | 4,916,250             |
| 2027  | 4,815,000            | 4.000% | 637,500             | 5,452,500             |
| 2028  | 4,985,000            | 4.000% | 444,900             | 5,429,900             |
| 2029  | 4,910,000            | 5.000% | 245,500             | 5,155,500             |
| Total | <u>\$ 31,070,000</u> |        | <u>\$ 6,006,900</u> | <u>\$ 37,076,900</u>  |

Net interest cost (%)                      2.966%

Totals may not add due to rounding.

Note: Series 2016 refunded \$12,755,000 of the outstanding \$14,665,000 Series 2008 bonds, \$3,725,000 of the outstanding \$3,725,000 Series 2010 bonds, and \$19,795,000 of the outstanding \$57,920,000 Series 2012 bonds.

Source: SWACO; see Note 10 to the financial statements.

Table 16

**SWACO**  
**Series 2019 Solid Waste Facilities Refunding Bonds**

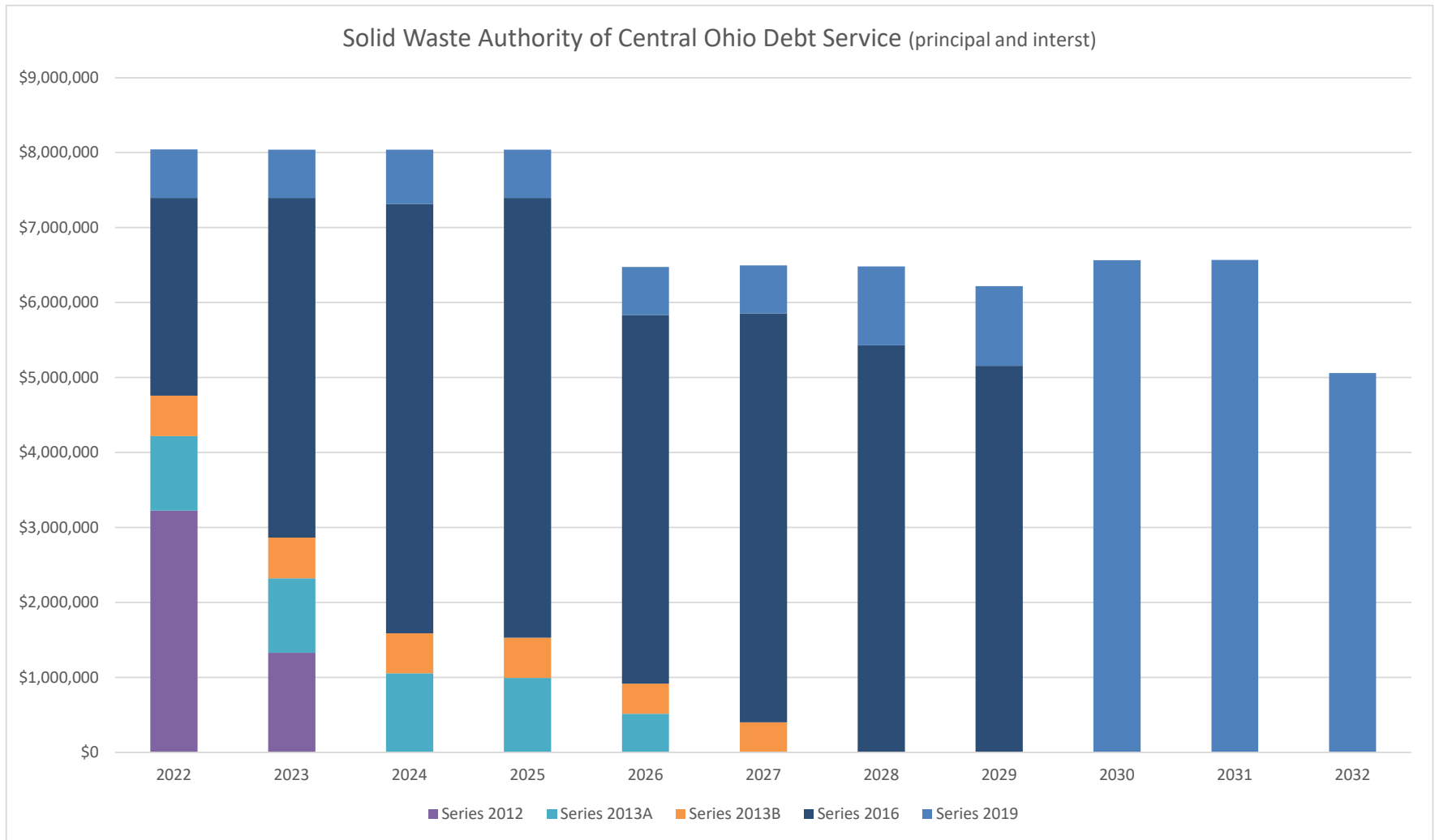
| Year  | Principal            | Coupon | Interest            | Total Debt<br>Service |
|-------|----------------------|--------|---------------------|-----------------------|
| 2023  | \$ 130,000           | 2.050% | \$ 515,158          | \$ 645,158            |
| 2024  | 210,000              | 2.150% | 512,493             | 722,493               |
| 2025  | 135,000              | 2.250% | 507,978             | 642,978               |
| 2026  | 135,000              | 2.350% | 504,940             | 639,940               |
| 2027  | 140,000              | 2.450% | 501,767             | 641,767               |
| 2028  | 555,000              | 2.550% | 498,338             | 1,053,338             |
| 2029  | 580,000              | 2.600% | 484,185             | 1,064,185             |
| 2030  | 6,095,000            | 2.650% | 469,105             | 6,564,105             |
| 2031  | 6,260,000            | 2.750% | 307,588             | 6,567,588             |
| 2032  | 4,925,000            | 2.750% | 135,438             | 5,060,438             |
| Total | <u>\$ 19,165,000</u> |        | <u>\$ 4,436,987</u> | <u>\$ 23,601,987</u>  |

Net interest cost (%)                      275.000%

Totals may not add due to rounding.

Note: Series 2019 refunded portions of the Series 2012 and 2013B bonds

Source: SWACO; see Note 10 to the financial statements.



Source: SWACO



**SWACO**  
**Total and General Obligation Debt Ratios 2013 - 2022**

| Tax Year |      | Total SWACO Debt <sup>1</sup><br>(thousands) | SWACO District Population <sup>2</sup> | Total SWACO Debt Per Capita | SWACO General Obligation Debt <sup>3</sup><br>(thousands) <sup>5</sup> | District Assessed Property Valuation (AV) <sup>2,7</sup><br>(thousands) <sup>5</sup> | SWACO G.O. Debt as a Percent of AV | Annual Debt Service Paid from Tipping Fees<br>(thousands) | Solid Waste Received by SWACO<br>(tons) | Annual Debt Service Paid from Tipping Fees Per Ton Received |
|----------|------|--|--|-----------------------------|--|--|------------------------------------|---|---|---|
| 2013     | 2014 | 133,064                                      | 1,216,000                              | 109                         | 128,709  | 27,362,018   | 0.47%                              | 8,120   | 1,021,697                               | 7.95  |
| 2014     | 2015 | 122,533                                      | 1,225,500                              | 100                         | 118,518  | 27,571,041   | 0.43%                              | 8,295   | 1,017,445                               | 8.15  |
| 2015     | 2016 | 112,691                                      | 1,235,273                              | 91                          | 109,019  | 27,907,630   | 0.39%                              | 8,265   | 1,068,812                               | 7.73  |
| 2016     | 2017 | 99,696                                       | 1,265,068                              | 79                          | 99,696   | 28,390,374   | 0.35%                              | 9,296 <sup>4,6</sup>                                      | 1,090,802                               | 8.52  |
| 2017     | 2018 | 91,174                                       | 1,293,183                              | 71                          | 91,174   | 31,617,408   | 0.29%                              | 5,831 <sup>4</sup>  | 1,137,349                               | 5.13  |
| 2018     | 2019 | 82,441                                       | 1,338,776                              | 62                          | 82,441   | 31,996,365   | 0.26%                              | 6,256 <sup>4</sup>  | 1,227,945                               | 5.09  |
| 2019     | 2020 | 77,496                                       | 1,369,869                              | 57                          | 77,496   | N/A  | N/A                                | 8,129 <sup>4</sup>  | 1,240,437                               | 6.55  |
| 2020     | 2021 | 71,466                                       | 1,385,688                              | 52                          | 71,466   | N/A  | N/A                                | 8,042   | 1,177,761                               | 6.83  |
| 2021     | 2022 | 65,347                                       | 1,384,073                              | 47                          | 65,347   | 38,789,658   | 0.17%                              | 8,036   | 1,230,543                               | 6.53  |
| 2022     | 2023 | \$ 56,905                                    | 1,382,523                              | 41                          | \$ 56,905  | \$ 39,472,123  | 0.14%                              | \$ 8,042  | 1,238,595                               | \$ 6.49   |

<sup>1</sup> Includes the WTEF lease, General Obligation Bonds, and taxable notes; net of reserve accounts, unamortized premiums and unamortized cost of issuance. (See Notes 10 and 11 to the financial statements).

<sup>2</sup> See Table 20.

<sup>3</sup> Total General obligation bonds. Excludes WTEF lease, taxable notes and reserve accounts.

<sup>4</sup> General obligation bonds principal and interest excluding a portion of Series 2012 bonds (paid from Retired Facility and Waiver Fees).

<sup>5</sup> Note prior year District Assessed Property Valuation and SWACO General Obligation Debt have been updated.

<sup>6</sup> Annual debt service paid from tipping fees updated.

<sup>7</sup> Ohio Municipal Advisory Counsel.

Source: SWACO

**SWACO**  
**Indirect Debt and Property Tax Limitations, June 28, 2023**

SWACO's debt is not subject to direct debt limits, but its unvoted general obligation debt (debt authorized by the Board of Trustees but not by a vote of the electors) is subject to overlapping restrictions with each respective county and school district. Limitations apply to each county total and should not be considered cumulatively. Total debt service charges for any one year of all overlapping debt must not exceed ten mills (1%) of the assessed property value. This determination is made by the respective county auditors each time a subdivision proposes to issue unvoted debt. The most recent data prepared by the county auditors for this purpose was as of June 28, 2023.

| <b>Overlapping Jurisdictions</b>   | <b>Millage required</b> | <b>Unallocated Millage</b> |
|--|-------------------------|----------------------------|
| SWACO, Franklin County, the City of Hilliard,<br>Dublin City School District, Washington Township & Central Ohio JVS                   | 8.0581                  | 1.9419                     |
| SWACO, Licking County, the City of Reynoldsburg, Southwest Licking Local<br>School District, Etna Township & Licking County C-TEC      | 5.3404                  | 4.6596                     |
| SWACO, Union County, the City of Dublin, Washington<br>Township, Dublin City School District, & Tolles Career and Tech                 | 7.9801                  | 2.0199                     |
| SWACO, Delaware County, the City of Westerville,<br>Westerville City School District, & Olentangy LSD                                  | 6.5986                  | 3.4015                     |
| SWACO, Fairfield County, Reynoldsburg and Violet Township,<br>Pickerington Local School District & Eastland Career Center <sup>1</sup> | 5.0996                  | 4.9004                     |

Source: Auditors for respective counties.

<sup>1</sup>Figure reflects value from 2020.

Table 19

**SWACO**  
**Ten Largest Employers 2022 and 2013**  
**Franklin County, Ohio**

| <b>Employer</b>   | <b>2022<sup>5</sup></b>   |                            |                              | <b>Employer</b>   | <b>2013<sup>5</sup></b>    |                              |
|---|---------------------------|----------------------------|------------------------------|---|----------------------------|------------------------------|
|   | <b>Principal Business</b> | <b>Number of Employees</b> | <b>% of Total Employment</b> |   | <b>Number of Employees</b> | <b>% of Total Employment</b> |
| The Ohio State University                               | Education                 | 33,653                     | 4.7%                         | The Ohio State University                               | 27,656                     | 4.3%                         |
| State of Ohio   | Government                | 22,736                     | 3.2%                         | State of Ohio   | 23,677                     | 3.7%                         |
| JP Morgan Chase & Co.                                   | Finance                   | 16,896                     | 2.4%                         | JP Morgan Chase   | 19,200                     | 3.0%                         |
| Kroger Co.  | Retail                    | 11,529                     | 1.6%                         | OhioHealth  | 19,182                     | 3.0%                         |
| Nationwide Children's Hospital                          | Health Care               | 11,302                     | 1.6%                         | Kroger Co.  | 17,397                     | 2.7%                         |
| Nationwide Mutual Insurance Co.                         | Insurance                 | 11,000                     | 1.5%                         | Nationwide Mutual Insurance                             | 11,300                     | 1.8%                         |
| Amazon  | Retail                    | 9,262                      | 1.3%                         | Mount Carmel Health Systems                             | 8,410                      | 1.3%                         |
| City of Columbus  | Government                | 8,656                      | 1.2%                         | City of Columbus  | 8,385                      | 1.3%                         |
| Mount Carmel Health Systems                             | Healthcare                | 7,887                      | 1.1%                         | Columbus City Schools                                   | 8,293                      | 1.3%                         |
| Honda North America, Inc.                               | Automotive                | 5,800                      | 0.8%                         | Nationwide Children's Hospital                          | 7,822                      | 1.2%                         |
| <b>Subtotal</b>   |                           | <b>138,721</b>             | <b>19.5%</b>                 | <b>Subtotal</b>   | <b>151,322</b>             | <b>23.7%</b>                 |
| Total estimated Franklin County employment <sup>5</sup> |                           | <u>710,400</u>             | <u>100.0%</u>                | Total estimated Franklin County employment <sup>5</sup> | <u>638,400</u>             | <u>100.0%</u>                |

<sup>1</sup> Business First of Columbus, Book of Lists, 2021 issue for Largest Employers.

<sup>2</sup> Business First of Columbus, Book of Lists, 2012 issue for Largest Employers.

<sup>3</sup> Franklin County, Ohio.

<sup>4</sup> Franklin County Auditor

<sup>5</sup> City of Columbus ACFR

Note: This table includes full-time employees only.

Table 20

### District and Franklin County Demographic Statistics 2013 - 2022<sup>1,6</sup>

| Tax Year | District Population <sup>2</sup> | Total Assessed Value Taxable District Property <sup>3</sup> (in thousands) | Franklin County Only      |                                  |                         | Total Assessed Value Taxable County Property (in thousands) <sup>5</sup> |
|----------|----------------------------------|--|---------------------------|----------------------------------|-------------------------|--|
|          |                                  |  | Population <sup>2,5</sup> | Per Capita Income <sup>2,5</sup> | Median Age <sup>5</sup> |  |
| 2013     | 1,216,000                        | 27,362,018 <sup>5</sup>  | 1,183,593                 | 41,666                           | 34                      | 26,160,709   |
| 2014     | 1,225,500                        | 27,571,041 <sup>5</sup>  | 1,192,653                 | 44,723                           | 34                      | 26,358,683   |
| 2015     | 1,235,273                        | 27,907,630 <sup>5</sup>  | 1,202,423                 | 46,104                           | 34                      | 26,642,445   |
| 2016     | 1,265,068                        | 28,390,374 <sup>5</sup>  | 1,253,522                 | 48,941                           | 34                      | 27,067,823   |
| 2017     | 1,293,183                        | 31,617,408 <sup>5</sup>  | 1,291,981                 | 50,514                           | 34                      | 30,155,157   |
| 2018     | 1,338,776                        | 31,996,365 <sup>5</sup>  | 1,318,164                 | 52,315                           | 34                      | 30,506,017   |
| 2019     | 1,369,869                        | N/A <sup>5</sup>   | 1,318,175                 | 52,315                           | 34                      | \$ 30,506,017  |
| 2020     | 1,385,688                        | N/A <sup>5</sup>   | 1,323,807                 | \$ 55,294                        | N/A                     | N/A  |
| 2021     | 1,384,073                        | 38,789,657 <sup>5</sup>  | 1,321,414                 | N/A                              | N/A                     | N/A  |
| 2022     | 1,382,523                        | \$ 39,472,124  | 1,321,820                 | N/A                              | N/A                     | N/A  |

<sup>1</sup> The SWACO solid waste district is principally within Franklin County but also includes parts of five adjacent counties.

<sup>2</sup> U.S. Department of Commerce, Bureau of the Census and the Mid-Ohio Regional Planning Commission.

<sup>3</sup> Assessed valuation reflects tax year. Source is Ohio Municipal Advisory Council.

<sup>4</sup> Ohio Department of Development.

<sup>5</sup> Franklin County Auditor/Woods & Poole Economics, Inc./Mid-Ohio Regional Planning Commission.

<sup>6</sup> Previous values updated.

Sources: SWACO except as noted above.

Table 21

### Average Unemployment Rates 2013 - 2022

| Year | Franklin County   | State of Ohio     | United States     |
|------|-------------------|-------------------|-------------------|
| 2013 | 6.2% <sup>2</sup> | 7.4% <sup>2</sup> | 7.4% <sup>2</sup> |
| 2014 | 4.8% <sup>1</sup> | 5.7% <sup>1</sup> | 6.2% <sup>1</sup> |
| 2015 | 4.0% <sup>3</sup> | 4.9% <sup>3</sup> | 5.3% <sup>3</sup> |
| 2016 | 4.0% <sup>3</sup> | 4.9% <sup>3</sup> | 4.9% <sup>3</sup> |
| 2017 | 4.0% <sup>3</sup> | 5.0% <sup>3</sup> | 4.4% <sup>3</sup> |
| 2018 | 3.7% <sup>3</sup> | 4.5% <sup>3</sup> | 3.9% <sup>3</sup> |
| 2019 | 3.2% <sup>4</sup> | 4.1% <sup>4</sup> | 3.7% <sup>4</sup> |
| 2020 | 4.9% <sup>2</sup> | 5.6% <sup>4</sup> | 6.7% <sup>4</sup> |
| 2021 | 4.8% <sup>2</sup> | 4.9% <sup>2</sup> | 5.3% <sup>2</sup> |
| 2022 | 3.4% <sup>2</sup> | 4% <sup>2</sup>   | 3.6% <sup>2</sup> |

<sup>1</sup>Franklin County Auditor.

<sup>2</sup>Ohio Department of Job and Family Services, Bureau of Labor Market Information.

<sup>3</sup>City of Columbus, Ohio, Comprehensive Annual Financial Reports.

<sup>4</sup>United States Bureau of Labor Statistics.

**SWACO**  
**Capital Assets as of December 31, 2022**

Sanitary Landfill

See Note 6 - Capital Assets, page 2-32 and Table 7 in the Statistical Section for additional information on the landfill.

| <u>Transfer Stations</u>              | Capacity<br>(tons per day) | Year<br>Constructed                 |    |
|---------------------------------------|----------------------------|-------------------------------------|----|
| Jackson Pike                          | 1,780                      | 1983                                |    |
| Morse Road Eco-Station                | 1,000                      | 2013                                |    |
| <br>                                  |                            |                                     |    |
| <u>Facilities</u>                     | Square<br>Footage          | Year<br>Constructed                 |    |
| Administrative Office Building        | 8,500                      | 2002                                |    |
| Fleet Maintenance Garage              | 11,120                     | 2000                                |    |
| Landfill Operations Facility          | 12,800                     | 2005                                |    |
| 4065 London-Groveport Rd.             | 4,280                      | 2008                                |    |
| 2512 Jackson Pike                     | 27,500                     | 2008                                |    |
| <br>                                  |                            |                                     |    |
| <u>Landfill Equipment</u>             |                            | <u>Transfer Station Equipment</u>   |    |
| Landfill compactors                   | 5                          | Transfer tractors                   | 37 |
| Landfill dozers                       | 5                          | Transfer trailers                   | 36 |
| Excavator/grader/track loader         | 6                          | Front-end loaders                   | 5  |
| Articulated dump trucks               | 4                          | Trackhoes                           | 0  |
| Trailer tippers                       | 4                          | Service vehicles and other          | 10 |
| Water trucks                          | 2                          | Material handlers                   | 3  |
| Other landfill vehicles and equipment | 25                         |                                     |    |
| <br>                                  |                            |                                     |    |
| <u>Recycling Programs</u>             |                            | <u>Other vehicles and equipment</u> |    |
| Recycled materials front-load trucks  | 4                          | Roll-off trucks                     | 2  |
| Drop-box containers                   | 246                        | Pickup trucks                       | 22 |
|                                       |                            | Cars and passenger vans             | 3  |
|                                       |                            | Street sweepers                     | 3  |
|                                       |                            | Large mowers                        | 3  |
|                                       |                            | Cargo trailers                      | 2  |
|                                       |                            | Miscellaneous                       | 15 |

# **COMPLIANCE SECTION**

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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***

To the Board of Trustees  
Solid Waste Authority of Central Ohio  
4239 London Groveport Road  
Grove City, Ohio 43123

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities and each major fund of the Solid Waste Authority of Central Ohio (SWACO), Franklin County, Ohio, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise SWACO’s basic financial statements, and have issued our report thereon dated June 28, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered SWACO’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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of SWACO’s internal control. Accordingly, we do not express an opinion on the effectiveness of SWACO’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 SWACO’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 SWACO'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 SWACO's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering SWACO's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Rea & Associates, Inc.*

Rea & Associates, Inc.  
Gahanna, Ohio  
June 28, 2022

# OHIO AUDITOR OF STATE KEITH FABER



**SOLID WASTE AUTHORITY OF CENTRAL OHIO**

**FRANKLIN 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 9/5/2023**

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)