

# SOLID WASTE AUTHORITY

of Palm Beach County



Fiscal Years Ended  
September 30, 2023 and 2022  
A Component Unit of Palm Beach County, FL

# **INTRODUCTORY SECTION**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**

**SOLID WASTE AUTHORITY OF  
PALM BEACH COUNTY, FLORIDA**

**A COMPONENT UNIT OF PALM BEACH COUNTY, FLORIDA  
FISCAL YEARS ENDED SEPTEMBER 30, 2023 AND 2022**



Prepared by the Department of Financial Services  
of the Solid Waste Authority of Palm Beach County, Florida

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

SEPTEMBER 30, 2023 AND 2022

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SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

SEPTEMBER 30, 2023 AND 2022

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YOUR PARTNER FOR  
SOLID WASTE SOLUTIONS

February 14, 2024

The Honorable Chair and Members of the  
Solid Waste Authority Board  
Solid Waste Authority of Palm Beach County  
West Palm Beach, Florida

The annual comprehensive financial report of the Solid Waste Authority of Palm Beach County, Florida, (the "Authority") for the fiscal year ended September 30, 2023, is hereby submitted. The Authority is required by Florida Statutes to have an annual audit and to submit this report to the Florida Auditor General's office within nine months of the close of each fiscal year. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

Management of the Authority is responsible for establishing and maintaining internal controls designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with U.S. generally accepted accounting principles. The Authority's internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

The Authority's financial statements are audited by an independent certified public accounting firm. The scope of the audit includes examination of, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessment of the accounting principles used, and evaluation of significant estimates made by management to provide reasonable assurance that the financial statements are free of material misstatements.

As part of the Authority's annual audit, a review is made of internal controls and tests are performed to determine that the Authority has complied with applicable laws and regulations. The results of the Authority's audit for the fiscal year ended September 30, 2023, identified no instances of significant deficiencies in internal controls or material violations of applicable laws and regulations.

The Authority is required to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found starting on page 4.

## PROFILE OF THE GOVERNMENT

**Government Entity:** The Authority is a dependent special district created by the Florida Legislature and governed by the seven elected County Commissioners for Palm Beach County, Florida. The Palm Beach County Solid Waste Act gives the Authority the power to construct and operate solid waste disposal facilities sufficient to effectively manage all solid waste generated in Palm Beach County. Additionally, the Act provides the Authority with the jurisdiction to collect waste throughout the unincorporated areas of the county, which is handled by private haulers under contract with the Authority.

**Reporting Entity:** The management of the Authority has considered whether there are potential component units that should be included in the Authority's financial statements, by applying the criteria set forth by U.S. generally accepted accounting principles. Based upon the application of these criteria, the only entity to consider was Palm Beach County, Florida. Based on the Governing Board of the Authority being the Board of County Commissioners of Palm Beach County, it was determined that the County was financially accountable for the operations of the Authority. In accordance with U.S. generally accepted accounting principles, the Authority is reported as a discretely presented component unit of Palm Beach County for the year ended September 30, 2023.

**Budgetary Control:** The Authority adopts an annual operating budget as a financial plan for the year. Activities of the operating accounts (Acquisition and Construction, Revenue, Operating, Debt Service, Operating Reserve, Subordinated Indebtedness, Renewal and Replacement, Capital Improvement and General Reserve) required by the Trust Indenture securing the Authority's bonded indebtedness are included in the annual budget. Although the Authority is legally required to adopt an annual budget, there is no legal requirement for external reporting of budgetary basis financial information.

## ECONOMIC CONDITION

**Local Economy:** Palm Beach County is the 3rd most populous county in the State of Florida. The latest population estimate prepared by the University of Florida indicates that the current population of the County is approximately 1.53 million. Projections show the population growing at an estimated annual rate of 0.61% from 2023 through 2050 with corresponding increases in service businesses and light industry. The University of Florida's Bureau of Economic and Business Research medium population estimates for 2023 through 2050 are lower than those projected in 2022. The population beyond 2050 is assumed to grow at an average annual rate of 0.36%

**Major Industries:** The economic base of Palm Beach County has been dependent on the real estate and construction industries associated with producing housing for the increasing population of the County. Agriculture is an important industry in the rural, western area of the County that produces winter vegetables, citrus, sugar cane, flowers, and ornamental plants. During the winter and spring months many businesses rely on the economic gain from the increase in tourism. Tourists are drawn to south Florida due to its warm weather and major league baseball training camps.

**Relevant Financial Policies:** In accordance with the Indenture of Trust, the Authority must always establish assessments, tipping fees and other fees, rates, and charges to provide net revenues (gross revenue minus operating expenses) in each fiscal year at least equal to 110% of the annual debt service. The Authority complied with this requirement for 2023 and all prior fiscal years.

**Long Term Financial Planning:** The unemployment rate in Palm Beach County for 2023 is 3.3% (as of August 2023), which is up slightly from 2022 at 2.9% (as of August 2022) and down from 2021 at 4.7% (as of August 2021). Palm Beach County's population is projected to increase for the indefinite future, along with the number of residential units, the square footage of commercial property, and the projected volume of solid waste requiring disposal. The Authority's primary revenue source is an unlimited non-ad valorem special assessment (Disposal Assessment) ability, billed on the tax bill and paid by all owners of improved residential and commercial properties in the County. While expenses will undoubtedly increase, the combined impact of higher waste volumes, higher tipping fee revenue, higher electric generation

revenue, growth in the number of billable units, and the strength and security of the non-ad valorem special assessment is expected to contribute to stable and affordable rates, and a stable financial outlook.

Actual quantities of waste for the current and preceding nine years, and future projections of solid waste to be handled by the Authority’s facilities are as follows:

		Garbage Class I <u>(Tons/Year)</u>	Trash/ Other Waste <u>(Tons/Year)</u>	Recycled Materials <u>(Tons/Year)</u>	Waste Stream Total <u>(Tons/Year)</u>
ACTUAL	2014	957,482	866,073	102,413	1,925,968
	2015	976,746	843,650	98,128	1,918,524
	2016	1,019,211	977,180	93,569	2,089,960
	2017	1,034,513	965,533	90,278	2,090,324
	2018	1,052,361	959,343	92,345	2,104,049
	2019	1,054,016	1,035,887	98,359	2,188,262
	2020	1,054,708	1,094,280	111,093	2,260,081
	2021	1,100,871	1,087,607	110,054	2,298,532
	2022	1,109,309	1,105,556	105,429	2,320,294
	2023	1,133,848	1,128,818	102,552	2,365,218
PROJECTED	2030*	1,421,822	1,226,171	116,589	2,764,582
	2035*	1,545,408	1,268,067	126,723	2,940,198

*\*Projected tonnage is from SWA's 2024 Landfill Depletion Model; Projected Trash/Other, and both exclude Supplemental Waste Program tonnage (which was terminated in FY 2022).*

### **Major Initiatives**

The Authority has completed an update to its Solid Waste Management Master Plan that included a comprehensive analysis of the existing Solid Waste Management System (SWMS) relative to the quantity of municipal solid waste that is estimated to increase over the next 30 years. The condition and capacity of each major component and utility infrastructure of the SWMS was evaluated relative to its continued suitability to function at the capacity necessary to manage the projected waste flows for the next 30-year planning period.

The Authority completed Phase 2 of a planning project to determine options for the continued operation of the Biosolids Processing Facility (BPF) at the end of the current Operations and Maintenance (O&M) Agreement in 2029. This effort considered options for refurbishing the facility to continue at its design capacity, expanding the processing capacity, modifying the facility to comply with new/pending regulatory requirements, and retiring/decommissioning the facility. Phase 3 of this planning project will begin in 2024. The recommended projects and initiatives will be accomplished in conjunction with the current Municipal Wastewater Utilities that are the Authority’s Partners in the development and operation of this facility.

The Authority prepared and issued procurement documents for the design, fabrication and installation to upgrade the fiber processing line at the RMPF. The system currently combines mechanical and manual sorting to process residential and commercial generated fiber (newspaper, magazines, office paper, mail, cardboard) into three marketable commodities; sorted residential fiber (SRF), mixed paper (MP) and cardboard (OCC). The upgrades will focus on incorporating the latest commercially proven technologies with the goals of improved efficiencies, reduced operating costs and increasing revenue.



The Authority initiated a project for the fabrication and installation of two (2) new trommel screens in the Renewable Energy Facility#1 (REF #1) refuse derived fuel processing building. The trommels are a critical component utilized in producing Refuse Derived Fuel (RDF) from post-recycled municipal solid waste which is subsequently combusted to produce clean renewable energy. The trommels have been functioning for over thirty years, far exceeding the expected useful life.

The Authority continued to register and sell the Renewable Energy Certificates (RECs) that are created through the production of clean renewable energy at Renewable Energy Facility #2 (REF #2). One (1) REC is created for every megawatt generated on a calendar year basis. The Authority successfully sold over 1M RECs created in 2019, 2020, and 2021 and generating over \$213K in gross revenue for the Authority.

The Authority has continued the project with the University of Florida to evaluate the utilization of the ash residue created during the combustion of post recycled waste in the Authority's Renewable Energy Facilities (REFs) in construction applications. The results of this investigation have been very promising indicating that the material is suitable for use as road base, asphalt, and aggregate in low-strength concrete with no measurable environmental impacts. Based on the results of these studies, the Florida Department of Environmental Protection (FDEP) approved the utilization of the ash aggregate as a road subbase and in asphalt and non-structural concrete. The Florida Department of Transportation (FDOT) is currently working with the Authority and the University of Florida on a developmental specification to allow the use of this material in non-structural concrete. The Authority continues to have discussions with local municipal agencies/departments to identify potential projects and several aggregate and concrete suppliers to engage potential partners in completing these projects.

The Authority continued the follow-up Advanced Metals Recovery pilot project to evaluate a processing system that remove small, less than 3/8" metal particles from the bottom ash residue created during the combustion of post recycled waste in the Authority's REFs. Metals in this size range typically include a high percentage of precious and other high value metals that provide an additional revenue stream for the Authority. We achieved full production in July of 2023 and through the balance of the fiscal year successfully processed over 22,770 tons of bottom ash resulting in a net revenue to the Authority in excess of \$96,300. In addition to recovering these metals the processing system produced ash aggregate that is suitable for use in the construction applications described above.

The Authority completed the design for the final closure of cells 5-10 on the Class I landfill. This project allowed the Authority to gain significant amounts of new airspace, enhance storm water management, improve leachate management systems, improve the gas collection system, and improve odor control. The project was submitted to and approved by FDEP. Closure of the west sideslope of Class I Cells 5, 8, 9, and 11 was completed in June 2023. The top area of Cells 1 through 4 was also re-opened and regraded. The construction activities to reclose the area were completed in March 2023. Closure construction has moved on to the east sideslope of Class I Cells 6, 7, and 10. This area is projected to be complete in July 2024. The Authority completed the design portion of a project to replace the underground electric cables for Feeders F4, F5 and F6. Several new pad-mounted switches will be replaced or added to allow the facilities on F4 and F5 to be powered by either feeder. Construction has been significantly delayed on this \$1.6 million project due to supply-chain issues. After more than 90 weeks of material supply-chain delays, the new equipment was finally delivered, and the construction is projected to be complete by April 2024.

The Authority began design and permitting efforts in 2023 for the new Class I landfill Cells 25 and 26, to be located just south of the existing Class III landfill. Cells 25 and 26 are being designed to accept ash, trash, and Construction & Demolition (C&D) debris. Additional C&D and ash capacity is needed by October 2026. Invitation to Bid for this construction project will be issued in Fall 2024.

The Authority completed construction the Administration Building's office expansion project, creating new Human Resources office space in the existing screened patio area. This project was completed in March 2023.

The Authority has completed the design tasks to demolish the existing Compost Buildings, including the concrete slab and all utilities that feed the buildings. Demolition activities began in May 2023 and final grading of the site was completed in December 2023.

The Authority completed a project in January 2023 to repair the sacrificial slab on the tipping floor at the Southwest County Transfer Station. A new product called Emory Stone from Laticrete was utilized, which is supposed to be harder, more durable, and more resistant to impact and chemical reactions. This demonstration project will be used to compare durability and longevity to Silica Fume, which has been used on the Authority's tipping floors for more than a decade. The goal of this project is to reduce maintenance costs at the facility and delay the need to replace the tipping floor every 4 to 5 years.

Vehicle and equipment traffic improvements were completed at the vegetative waste drop-off areas at South County (SCTS) and North County Transfer Stations (NCTS). A minor tipping floor repair was also completed in front of Hopper #2 at the NCTS.

In 2009, prior to the construction of REF#2, the Authority conducted an electrical distribution analysis to evaluate the feasibility of supplying power from REF#1 to the RMPF and the BPF. At the time, the analysis did not show the project to be cost-effective given the required cost to retain FPL services as an emergency backup supply. With the addition of REF#2, the upgrades to the Authority's Switchgear Building and the Standby 2-megawatt backup generator, there is now sufficient redundancy to supply these facilities internally. The Authority will be updating the 2009 analysis and developing a revised cost estimate and lifecycle cost comparison. The initial results indicate that implementing this project will be beneficial and reduce operational costs.

In September 2021, the Authority completed the installation of a replacement single zone monitoring well MW-1R at a depth of 1869 feet for the Deep Injection Well (DIW) system at the Palm Beach Renewable Energy Park (PBREP). In September 2023, the dual zone monitoring well MW-1 at 1871 feet was plugged and abandoned after it was determined that MW-1 was no longer needed to monitor groundwater quality within the Underground Source of Drinking Water (USDW).

### **For the Future**

Several new projects are anticipated to be initiated during the upcoming fiscal year.

Based on the preliminary success of the Southwest County Transfer Station (SWCTS) project, in July 2024, the Authority will be installing the EmoryTop concrete on the tipping floor at the Central County Transfer Station (CCTS). The project will reduce maintenance costs at the facility.

The Authority will initiate a project to design the final closure of the Class III Landfill. After the Authority received approval in January 2022 to use ash from REF #1 and REF #2 as protected structural fill to regrade the sideslopes of the Class III landfill in preparation for closure, grading with ash will begin in March 2024. The first phase of this closure construction is anticipated to commence in Fall 2025.

The Authority is planning to retrofit and upgrade Industrial Supply Well (ISW) Systems at Park Ridge Golf Course and the PBREP Landfill to maintain environmental compliance by optimizing hydraulic gradient control, improve efficiency of water consumption and meet contractual water use obligations. These projects will be implemented in a phased approach over the next 5-7 years.

### **AWARDS AND ACKNOWLEDGEMENTS**

**Awards:** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its annual comprehensive financial report for the fiscal year ended September 30, 2022. To earn the award, the Authority publishes an easily readable and

efficiently organized annual comprehensive financial report. This report satisfies both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current annual comprehensive financial report 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.

**Acknowledgments:** The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated services of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Solid Waste Authority Board, preparation of this report would not have been possible.

Sincerely,

A handwritten signature in blue ink, appearing to read 'D. Pellowitz', with a long horizontal stroke extending to the right.

Dan Pellowitz  
Executive Director

A handwritten signature in blue ink, appearing to read 'Paul E. Dumars, Sr.', with a large, stylized initial 'P' and 'D'.

Paul E. Dumars, Sr.  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Solid Waste Authority of Palm Beach County  
Florida**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

September 30, 2022

*Christopher P. Morill*

Executive Director/CEO

Annual Comprehensive Financial Report  
Solid Waste Authority of Palm Beach County  
A Component Unit of Palm Beach County, Florida  
Fiscal Year Ended September 30, 2023

***List of Principal Officers  
Authority Governing Board***



Chair  
Vice Mayor  
Maria Sachs  
District 5



Vice Chair  
Commissioner  
Maria G. Marino  
District 1



Secretary  
Commissioner  
Sara Baxter  
District 6



Member  
Mayor  
Gregg K. Weiss  
District 2



Member  
Commissioner  
Michael A. Barnett  
District 3



Member  
Commissioner  
Marci Woodward  
District 4



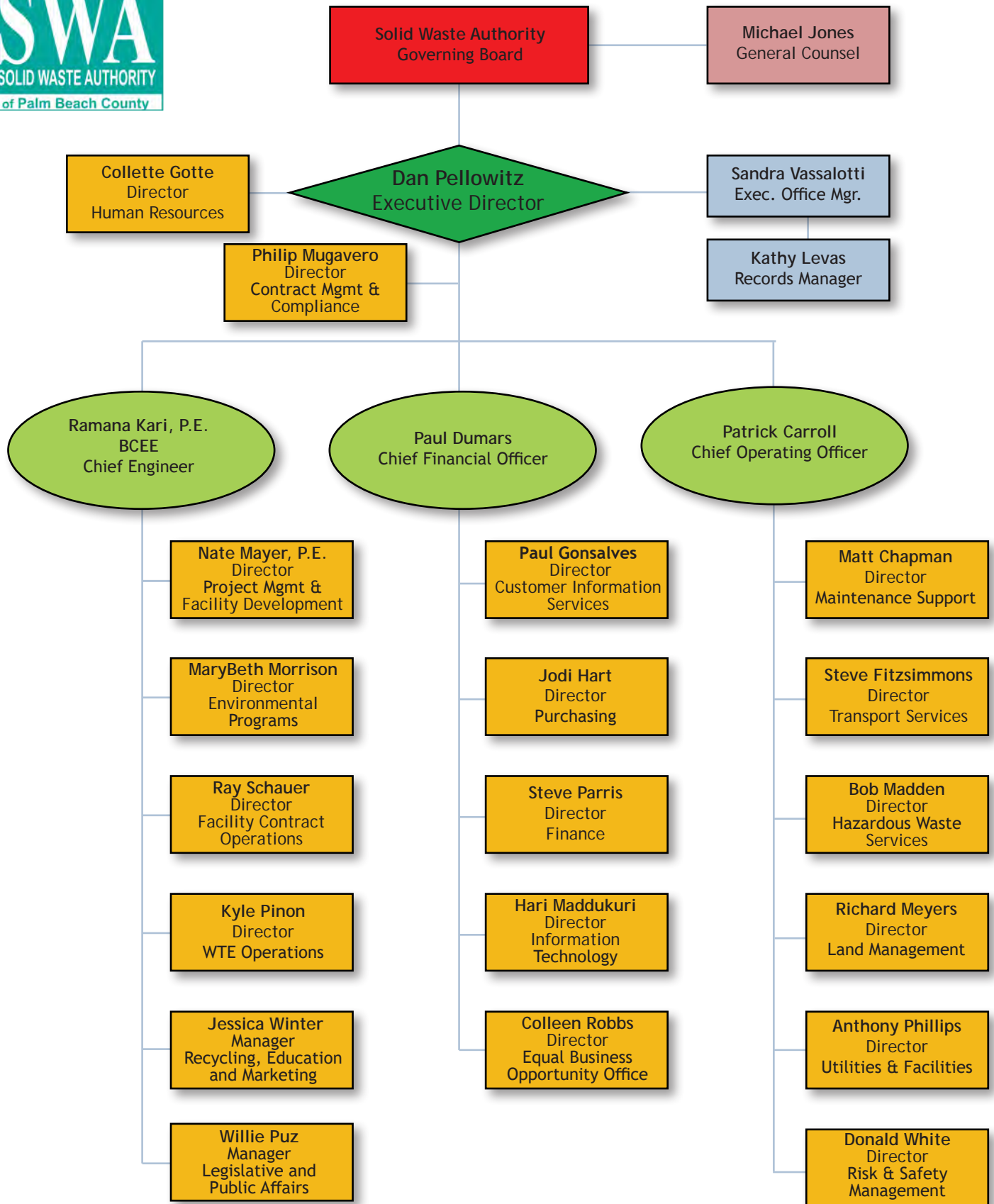
Member  
Commissioner  
Mack Bernard  
District 7

Daniel Pellowitz  
Executive Director

Paul E. Dumars, Sr.  
Chief Financial Officer



Solid Waste Authority of Palm Beach County  
 7501 N. Jog Road, West Palm Beach, FL 33412  
 561-640-4000 www.SWA.org



# **FINANCIAL SECTION**



# NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE  
NORTHBRIDGE CENTRE  
515 N. FLAGLER DRIVE, SUITE 1700  
POST OFFICE BOX 347  
WEST PALM BEACH, FLORIDA 33402-0347  
TELEPHONE (561) 659-3060  
FAX (561) 835-0628  
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA  
EDWARD T. HOLT, CPA  
WILLIAM B. MINER, RETIRED  
ROBERT W. HENDRIX, JR., CPA  
JANET R. BARICEVICH, RETIRED, CPA  
TERRY L. MORTON, JR., CPA  
N. RONALD BENNETT, CVA, ABV, CFF, CPA  
ALEXIA G. VARGA, CFE, CPA  
EDWARD T. HOLT, JR., PFS, CPA  
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA  
RYAN M. SHORE, CFP®, CPA  
WEI PAN, CPA  
WILLIAM C. KISKER, CPA  
RICHARD E. BOTTS, CPA

## INDEPENDENT AUDITOR'S REPORT

The Honorable Chair and Members of the  
Solid Waste Authority Board  
Solid Waste Authority of Palm Beach County  
West Palm Beach, Florida

BELLE GLADE OFFICE  
333 S.E. 2nd STREET  
POST OFFICE BOX 338  
BELLE GLADE, FLORIDA 33430-0338  
TELEPHONE (561) 996-5612  
FAX (561) 996-6248

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the Solid Waste Authority of Palm Beach County, Florida, a component unit of Palm Beach County, Florida, as of and for the years ended September 30, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Solid Waste Authority of Palm Beach County, Florida's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Solid Waste Authority of Palm Beach County, Florida, as of September 30, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinions

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

#### Responsibilities of Management for the Financial Statements

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

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

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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of



internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Solid Waste Authority of Palm Beach County, Florida's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Solid Waste Authority of Palm Beach County, Florida'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 on pages 4 through 9, the other postemployment benefits schedules on page 67, and the pension schedules on pages 68 through 71 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, statistical, and other information sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do 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 February 13, 2024, on our consideration of the Solid Waste Authority of Palm Beach County, Florida’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Solid Waste Authority of Palm Beach County, Florida’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 Solid Waste Authority of Palm Beach County, Florida’s internal control over financial reporting and compliance.

*Nowlen, Holt & Mimer, P.A.*

West Palm Beach, Florida

February 13, 2024

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management of the Solid Waste Authority of Palm Beach County (the "Authority") presents the readers of our financial statements the following narrative overview and analysis of the financial activities for the fiscal years ended September 30, 2023, and 2022. Please consider this information in conjunction with the additional information we have furnished in our letter of transmittal (beginning on page iv) and the accompanying basic financial statements (beginning on page 10).

### Financial Highlights

- The Authority's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) by approximately \$738.0 million, \$694.4 million, and \$665.2 million at the close of fiscal years 2023, 2022, and 2021, respectively. Of these amounts, approximately \$179.3 million, \$145.0 million, and \$139.9 million, respectively, are considered unrestricted and pursuant to the Authority's Trust Indenture are available for renewal and replacement of the solid waste system and capital improvements.
- The Authority's revenues and capital contributions exceeded expenses by approximately \$43.6 million for fiscal year 2023. Details regarding the operations for 2023 are provided in our letter of transmittal. Revenues and capital contributions exceeded expenses by \$29.2 million and \$20.4 million for fiscal years 2022 and 2021, respectively.
- The Authority's aggressive capital renewal and expansion program is complete. Construction of the new mass burn facility that broke ground in 2012 was completed in July 2015. Entering ninth year of operations, this facility has significantly reduced waste landfilled, and has been instrumental in extending the useful life of the Authority's existing landfill through 2054. Net capital assets decreased by \$50.2 million in fiscal year 2023. The Authority's net capital assets decreased by 6.0% in 2022 and by 5.3% in 2021.
- The Authority's operating revenues increased from the prior year by approximately 2.1% and operating expenses increased by approximately 4.9%. The increase in revenue is primarily from increased tipping fees and electrical generation. The increase in operating expenses includes offsetting increases and decreases in different expense categories. These variances are described in the Summary of Revenues, Expenses and Changes in Net Position on page 6.

### Overview of the Financial Statements

The Solid Waste Authority of Palm Beach County is a single enterprise fund and presents its financial statements using the economic resources measurement focus and accrual basis of accounting which is the same measurement focus and basis of accounting employed by private-sector business enterprises. This discussion and analysis supplement the Authority's basic financial statements, which include comparative Statements of Net Position, Statements of Revenues, Expenses, Changes in Net Position, Statements of Cash Flows, and Notes to the Financial Statements.

The Statements of Net Position present information on the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position are the basic statements of activities for proprietary funds. These statements provide the user information on the Authority's operating revenues and expenses, non-operating revenues and expenses and whether the Authority's financial position has increased or decreased because of each year's operations.

The Statements of Cash Flows present the change in the Authority's cash and cash equivalents during each fiscal year. This information can assist the user of the report in determining how the Authority financed its activities and how it met its cash requirements.

The Notes to the Financial Statements provide additional information that is essential to a full understanding of the data in the statements and can be found beginning on page 15 of this report.

## Summary of Net Position

As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. The Authority's total net position increased by \$43,617,472, \$29,237,212 and \$20,381,481 during fiscal years 2023, 2022, and 2021, respectively. A condensed summary of the Authority's net position for fiscal years 2023, 2022, and 2021 is presented below:

	2023	2022	2021
<b><u>Assets</u></b>			
<i>Current and Other Assets</i>	\$ 519,032,959	\$ 484,974,009	\$ 797,564,527
<i>Capital Assets</i>	881,455,854	931,660,554	985,424,967
<b>Total Assets</b>	<b>\$ 1,400,488,813</b>	<b>\$ 1,416,634,563</b>	<b>\$ 1,782,989,494</b>
<b><u>Deferred Outflows of Resources</u></b>			
	\$ 9,442,800	\$ 10,894,634	\$ 18,859,173
<b><u>Liabilities</u></b>			
<i>Noncurrent Liabilities</i>	\$ 599,356,392	\$ 642,209,713	\$ 713,494,868
<i>Other Liabilities</i>	60,204,611	77,716,119	402,718,801
<b>Total Liabilities</b>	<b>\$ 659,561,003</b>	<b>\$ 719,925,832</b>	<b>\$ 1,116,213,669</b>
<b><u>Deferred Inflows of Resources</u></b>			
	\$ 12,344,993	\$ 13,195,220	\$ 20,464,065
<b><u>Net Position</u></b>			
<i>Net Investment in Capital Assets</i>	\$ 433,375,480	\$ 414,293,641	\$ 432,585,695
<i>Restricted</i>	125,389,336	135,086,105	92,684,398
<i>Unrestricted</i>	179,260,801	145,028,399	139,900,840
<b>Total Net Position</b>	<b>\$ 738,025,617</b>	<b>\$ 694,408,145</b>	<b>\$ 665,170,933</b>

Net investment in capital assets (approximately 58.7%, 59.7% and 65.0% of the Authority's total net position for 2023, 2022, and 2021, respectively) represents the Authority's investment in capital assets (e.g., land, buildings, improvements, equipment and construction in progress), less the related outstanding indebtedness used to acquire those assets. The Authority uses these capital assets to provide services to its customers and consequently these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since it is unlikely that the capital assets will be liquidated to pay liabilities.

An additional portion of the Authority's net position (approximately 17.0%, 19.5% and 13.9%, of the Authority's total net position for 2023, 2022, and 2021, respectively) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of net position (approximately 24.3%, 20.8%, and 21.0% of the Authority's total net position for 2023, 2022, and 2021, respectively) is considered unrestricted. However, the Authority is bound by its Trust Indenture that requires current period revenues be sufficient to cover current period operating expenses and 110% of current debt service. Therefore, the unrestricted balance in net position is not available for future operating expenditures, although it is available for renewal and replacement of the solid waste system and capital improvements.

## Summary of Revenues, Expenses and Changes in Net Position

A summary of revenues, expenses, and changes in net position for the years ended September 30, 2023, 2022, and 2021 is presented below:

	2023	2022	2021
<b>Operating Revenues</b>			
Assessments	\$ 230,073,663	\$ 214,321,185	\$ 207,815,611
Tipping Fees	62,587,114	57,158,116	54,113,666
Electric Generation	49,154,125	55,317,955	48,401,495
Other Operating	13,281,452	20,926,504	17,964,252
Total Operating Revenue	<u>355,096,354</u>	<u>347,723,760</u>	<u>328,295,024</u>
<b>Operating Expenses</b>			
Franchise Hauler Contract Payments	56,604,609	52,647,615	48,988,776
Contract Payments to Plant Operators	85,653,131	83,138,699	77,303,254
Personnel Services	56,860,117	47,389,897	43,496,162
Depreciation and Amortization	61,697,591	65,669,216	62,083,943
Other Operating	61,824,469	59,627,871	47,205,565
Total Operating Expenses	<u>322,639,917</u>	<u>308,473,298</u>	<u>279,077,700</u>
Operating Income	<u>32,456,437</u>	<u>39,250,462</u>	<u>49,217,324</u>
<b>Non-Operating Revenues/Expenses</b>			
Investment Income	20,867,615	3,163,737	8,889,084
Grant Income	280,313	-	-
Other Income/Expenses	2,163,561	(318,554)	1,504,125
Interest Expense	(12,150,454)	(12,858,433)	(39,280,227)
Total Non-Operating Expense	<u>11,161,035</u>	<u>(10,013,250)</u>	<u>(28,887,018)</u>
<b>Income (Loss) Before Capital Contributions</b>	<u>43,617,472</u>	<u>29,237,212</u>	<u>20,330,306</u>
<b>Capital Contributions</b>	<u>-</u>	<u>-</u>	<u>51,175</u>
<b>Increase (Decrease) in Net Position</b>	<u>43,617,472</u>	<u>29,237,212</u>	<u>20,381,481</u>
<b>Net Position - 10/01</b>	<u>694,408,145</u>	<u>665,170,933</u>	<u>644,789,452</u>
<b>Net Position - 09/30</b>	<u>\$ 738,025,617</u>	<u>\$ 694,408,145</u>	<u>\$ 665,170,933</u>

The Authority's net position increased during fiscal year 2023 by \$43,617,472. Net position increased by \$29,237,212 and \$20,381,481 in 2022 and 2021, respectively. The change in net position from the prior fiscal year is due to the following:

- Operating Revenue increased by \$7.4 million, mainly due to the increase in the FY 2023 non-ad valorem Assessment rates for both Disposal and Mandatory Collection Assessments: along with increased Tipping Fee revenues. FY 2023 revenues were offset by decreases in energy and marketed recyclable commodities.
- Personnel Services increased due to a \$6.8 million accrual for the Authority's share of the Florida Retirement Systems' (FRS) unfunded pension liability compared to the \$1.2 million FRS accrual for FY 2022. Additionally, health and life insurance expenses were up approximately \$900,000 in FY 2023.
- Operating Expenses increased 4.6% in total including personnel services and approximately a \$4.0 million increase in franchise hauler payments due to rising fuel costs which are used to adjust contractual rates paid to the Franchise Haulers, and are adjusted bi-annually each Fiscal Year, pursuant to contract.

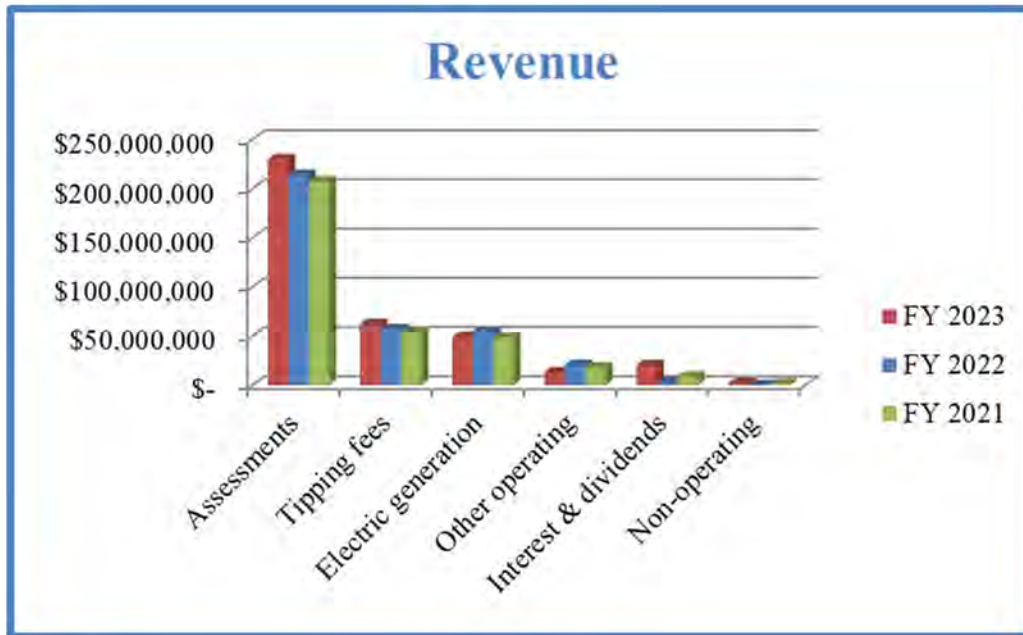
- Contract Payments to plant operators increased by \$2.5 million or 3.0% from FY 2022 due to contractual rate increases that are adjusted annually.

Net position increased by \$20,381,481 in 2021 and by \$6,148,154 in 2020. The net position increase of \$29,237,212 in 2022 from the prior fiscal year was due to the following:

- Operating Revenue increased by \$19.4 million, mainly due to increased tipping fees, electrical generation, and recycled materials revenues from increased tonnage received in FY 2022.
- Personnel Services increase reflects a \$1.2 million accrual for FY22, while FY21 includes a \$2.1 million decrease in the Authority’s share of the Florida Retirement Systems’ unfunded pension liability.
- Other Operating Expenses increased 26.3% with a \$9.7 million increase in landsite expense including closure costs. Gasoline and diesel fuel increased by \$1.8 million.
- Contract Payments to plant operators increased by \$5.8 million due to contractual rate increases.

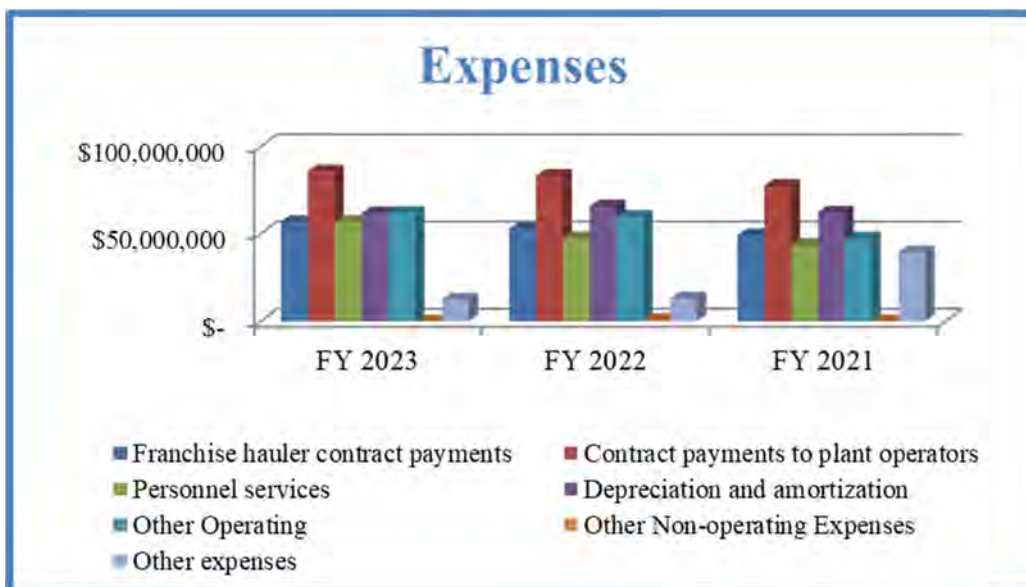
**Revenues by Source (Graph)**

The following graph shows the major sources of revenues for the years ended September 30, 2023, 2022, and 2021:



**Expenses by Source (Graph)**

The following graph shows the major expense categories for the years ended September 30, 2023, 2022, and 2021:



## Capital Assets

During fiscal year 2023, the Authority's net capital assets decreased approximately \$50.2 million due primarily to annual depreciation expense of approximately \$61.7 million.

A summary of the 2023 capital asset acquisitions and disposals is as follows:

	<i>Balance</i> <i>10/01/22</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <i>09/30/23</i>
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Buildings	781,466,370	-	(18,931,471)	762,534,899
Improvements other than buildings	172,300,950	122,540	(416,165)	172,007,325
Equipment	766,486,632	11,255,782	(16,167,831)	761,574,583
Construction in Progress	14,881	146,716	(14,881)	146,716
Right to use leased assets - property	2,240,908	-	-	2,240,908
Right to use leased assets - equipment	275,105	-	-	275,105
<b>Total Assets</b>	<b>1,773,410,972</b>	<b>11,525,038</b>	<b>(35,530,348)</b>	<b>1,749,405,662</b>
<b>Accumulated Depreciation</b>	<b>(841,750,418)</b>	<b>(61,697,591)</b>	<b>35,498,201</b>	<b>(867,949,808)</b>
<b>Total Assets Less Depreciation</b>	<b>\$ 931,660,554</b>	<b>\$ (50,172,553)</b>	<b>\$ (32,147)</b>	<b>\$ 881,455,854</b>

During fiscal year 2022, the Authority's net capital assets decreased approximately \$55.9 million due primarily to annual depreciation expense of \$65.5 million.

A summary of the 2022 capital asset acquisitions and disposals is as follows:

	<i>Balance</i> <i>10/01/21</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <i>09/30/22</i>
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Buildings	781,429,618	36,752	-	781,466,370
Improvements other than buildings	168,245,589	4,062,870	(7,509)	172,300,950
Equipment	762,940,770	7,704,420	(4,158,558)	766,486,632
Construction in Progress	1,032,207	14,881	(1,032,207)	14,881
Right to use leased assets - property	-	2,240,908	-	2,240,908
Right to use leased assets - equipment	-	275,105	-	275,105
<b>Total Assets</b>	<b>1,764,274,310</b>	<b>14,334,936</b>	<b>(5,198,274)</b>	<b>1,773,410,972</b>
<b>Accumulated Depreciation</b>	<b>(778,849,343)</b>	<b>(65,875,759)</b>	<b>2,974,684</b>	<b>(841,750,418)</b>
<b>Total Assets Less Depreciation</b>	<b>\$ 985,424,967</b>	<b>\$ (51,540,823)</b>	<b>\$ (2,223,590)</b>	<b>\$ 931,660,554</b>

The fiscal year 2022 Capital asset presentation has been updated to include leased assets. Additional information on the Authority's capital assets can be found in *Note E – Capital Assets*, in the notes to the financial statements.

## Long-Term Debt

At the close of fiscal year 2023, the Authority had \$492,805,000 in outstanding revenue bonds payable compared to \$555,995,000 outstanding at the close of fiscal year 2022, a decrease of 11%.

On June 21, 2023, the Authority used General Reserve Funds to prepay a portion of the October 1, 2024, mandatory sinking fund payment of the Series 2021 Bonds in the amount of \$15,000,000.

At the close of fiscal year 2022, the Authority had \$555,995,000 in outstanding revenue bonds payable compared to \$942,405,000 outstanding at the close of fiscal year 2021, a decrease of 41%. During fiscal year 2022, the \$347,605,000 Refunding Revenue Bonds, Series 2019 reached the designated crossover date on October 1, 2021. At that time, the bond escrow account balance was released and, in conjunction with other Authority funds, was used to advance refund all remaining outstanding Series 2011 bonds in the amount of \$343,075,000.

A summary of the Authority's outstanding revenue bonds and note and related activity for the last two fiscal years is presented in the following tables:

	<i>Principal Balance 10/01/2022</i>	<i>Decreases &amp; Retirements</i>	<i>Increases</i>	<i>Principal Balance 09/30/23</i>
<i>Series 2015</i>	\$ 50,330,000	\$ -	\$ -	\$ 50,330,000
<i>Series 2017</i>	62,760,000	23,530,000	-	39,230,000
<i>Series 2019</i>	347,605,000	1,780,000	-	345,825,000
<i>Series 2021</i>	95,300,000	37,880,000	-	57,420,000
<b>Total Outstanding</b>	<b>555,995,000</b>	<b>63,190,000</b>	<b>-</b>	<b>492,805,000</b>
Unamortized Premium	5,212,192	933,527	-	4,278,665
<b>Revenue Bonds and Note Payable (Net)</b>	<b>\$ 561,207,192</b>	<b>\$ 64,123,527</b>	<b>\$ -</b>	<b>\$ 497,083,665</b>

	<i>Principal Balance 10/01/2021</i>	<i>Decreases &amp; Retirements</i>	<i>Increases</i>	<i>Principal Balance 09/30/22</i>
<i>Series 2011</i>	\$ 363,415,000	\$ 363,415,000	\$ -	\$ -
<i>Series 2015</i>	50,330,000	-	-	50,330,000
<i>Series 2017</i>	62,760,000	-	-	62,760,000
<i>Series 2019</i>	347,605,000	-	-	347,605,000
<i>Series 2021</i>	118,295,000	22,995,000	-	95,300,000
<b>Total Outstanding</b>	<b>942,405,000</b>	<b>386,410,000</b>	<b>-</b>	<b>555,995,000</b>
Unamortized Premium	22,954,049	17,741,857	-	5,212,192
<b>Revenue Bonds and Note Payable (Net)</b>	<b>\$ 965,359,049</b>	<b>\$ 404,151,857</b>	<b>\$ -</b>	<b>\$ 561,207,192</b>

**Bonded Debt** - The Authority's bond issues are rated by two prominent rate agencies: Moody's Investor Services and Standard & Poor's. The ratings, listed below, are products of effective management, increasingly strong financial position and a stable, high quality revenue stream.

<b>Solid Waste Authority of Palm Beach County, Debt Ratings at September 30, 2023</b>		
Type of Debt Issue	Moody's	S&P
Non-Ad valorem revenue bonds	Aa2	AA+

Additional information on the Authority's long-term debt can be found in *Note H – Revenue Bonds Payable* and *Note I – Changes in Noncurrent Liabilities* in the notes to the financial statements.

### Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Solid Waste Authority of Palm Beach County, 7501 N. Jog Road, West Palm Beach, FL 33412 or by email to [pdumars@swa.org](mailto:pdumars@swa.org).

Sincerely,



Paul E. Dumars, Sr.  
Chief Financial Officer



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**STATEMENTS OF NET POSITION**

**September 30, 2023 and 2022**

**ASSETS**

	<u>09/30/2023</u>	<u>09/30/2022</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 220,656,434	\$ 184,146,172
Accounts receivable, less allowance for doubtful accounts of \$177,611 for 2023 and \$160,908 for 2022	10,613,707	11,375,983
Accrued interest receivable	244,969	174,484
Lease receivable	324,295	313,561
Due from Palm Beach County	2,617,915	2,469,071
Due from other Governments	636,673	856,501
Inventory	2,904,938	2,841,277
Prepaid expenses	4,367,044	3,842,597
	<u>242,365,975</u>	<u>206,019,646</u>
Restricted assets:		
Cash and cash equivalents	158,785,140	165,924,444
Accrued interest receivable	1,102,836	500,660
	<u>159,887,976</u>	<u>166,425,104</u>
<b>TOTAL CURRENT ASSETS</b>	<b><u>402,253,951</u></b>	<b><u>372,444,750</u></b>
<b>NONCURRENT ASSETS</b>		
Restricted assets:		
Cash and cash equivalents	113,321,350	108,747,306
Capital assets:		
Land	50,626,126	50,626,126
Buildings	762,534,899	781,466,370
Improvements other than buildings	172,007,325	172,300,950
Equipment	761,574,583	766,486,632
Construction in progress	146,716	14,881
Right to use leased assets - property	2,240,908	2,240,908
Right to use leased assets - equipment	275,105	275,105
	<u>1,749,405,662</u>	<u>1,773,410,972</u>
Less accumulated depreciation	867,330,179	841,337,332
Less accumulated amortization - leased assets	619,629	413,086
	<u>881,455,854</u>	<u>931,660,554</u>
Other assets		
Lease receivable	3,423,855	3,748,150
Security deposits	33,803	33,803
<b>TOTAL NONCURRENT ASSETS</b>	<b><u>998,234,862</u></b>	<b><u>1,044,189,813</u></b>
<b>TOTAL ASSETS</b>	<b><u>\$ 1,400,488,813</u></b>	<b><u>\$ 1,416,634,563</u></b>

**DEFERRED OUTFLOWS OF RESOURCES**

<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related items	\$ 9,098,800	\$ 10,603,634
OPEB related items	344,000	291,000
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b><u>\$ 9,442,800</u></b>	<b><u>\$ 10,894,634</u></b>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**STATEMENTS OF NET POSITION**

September 30, 2023 and 2022

**LIABILITIES**

	<u>09/30/2023</u>	<u>09/30/2022</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 14,488,314	\$ 13,019,982
Accrued payroll and related liabilities	2,259,074	2,164,242
Accrued insurance claims payable	367,084	285,600
Accrued interest payable	74,632	77,987
Due to Palm Beach County	9,685	33,357
Due to other Governments	1,224,693	-
Current portion of advance capacity payment	2,981,260	2,981,260
Lease liability	115,277	176,292
Other current liabilities	117,609	151,439
	<u>21,637,628</u>	<u>18,890,159</u>
Current liabilities payable from restricted assets		
Accounts payable	3,870,266	1,603,212
Contract retainage payable	266,279	310,401
Customer deposits	1,287,865	1,138,725
Accrued interest payable	7,162,573	7,583,622
Current maturities of revenue bonds payable	25,980,000	48,190,000
	<u>38,566,983</u>	<u>58,825,960</u>
<b>TOTAL CURRENT LIABILITIES</b>	<u><b>60,204,611</b></u>	<u><b>77,716,119</b></u>
<b>NONCURRENT LIABILITIES</b>		
Other postemployment benefits obligation	644,000	571,000
Compensated absences payable	5,717,686	5,467,316
Net pension liability	40,898,945	36,099,291
Accrued landfill closure and postclosure care costs payable from restricted assets	49,991,002	52,957,283
Advance capacity payment	29,191,505	32,172,765
Lease liability	1,809,589	1,924,866
Revenue bonds payable	471,103,665	513,017,192
<b>TOTAL NONCURRENT LIABILITIES</b>	<u>599,356,392</u>	<u>642,209,713</u>
<b>TOTAL LIABILITIES</b>	<u><b>\$ 659,561,003</b></u>	<u><b>\$ 719,925,832</b></u>

**DEFERRED INFLOWS OF RESOURCES**

<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related items	\$ 2,285,824	\$ 1,810,740
OPEB related items	247,000	293,000
Leases	3,626,253	3,991,570
Deferred gain on bond refunding, net	6,185,916	7,099,910
	<u>6,185,916</u>	<u>7,099,910</u>
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u><b>\$ 12,344,993</b></u>	<u><b>\$ 13,195,220</b></u>

**NET POSITION**

Net investment in capital assets	\$ 433,375,480	\$ 414,293,641
Restricted by bond covenants for		
Debt Service	26,000,533	48,124,942
Capital improvements	65,325,749	57,524,186
Operating reserve	34,063,054	29,436,977
Unrestricted	179,260,801	145,028,399
<b>TOTAL NET POSITION</b>	<u><u><b>\$ 738,025,617</b></u></u>	<u><u><b>\$ 694,408,145</b></u></u>

See notes to the financial statements

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITON**

**For the Fiscal Years Ended September 30, 2023 and 2022**

	<u>09/30/2023</u>	<u>09/30/2022</u>
<b>Operating revenues</b>		
Assessments	\$ 230,073,663	\$ 214,321,185
Tipping fees	62,587,114	57,158,116
Electric generation	49,154,125	55,317,955
Recycling income	11,105,521	18,461,053
Franchise fees	2,171,151	2,206,670
Other Revenue	4,780	258,781
	<u>355,096,354</u>	<u>347,723,760</u>
<b>Operating expenses</b>		
Franchise hauler contract payments	56,604,609	52,647,615
Contract payments to plant operators	85,653,131	83,138,699
Personnel services	56,860,117	47,389,897
Depreciation and amortization	61,697,591	65,669,216
Landsite expenses	10,492,649	15,841,218
Contractual services	21,737,732	16,774,027
Repairs and maintenance	5,426,200	4,655,109
Other expenses	24,167,888	22,357,517
	<u>322,639,917</u>	<u>308,473,298</u>
<b>OPERATING INCOME</b>	<b>32,456,437</b>	<b>39,250,462</b>
<b>Non-operating revenues (expenses)</b>		
Interest and dividend income	20,867,615	3,163,737
Miscellaneous income	569,613	614,381
Grant income	280,313	-
Gain/(loss) on disposition of capital assets	1,593,948	(932,935)
Interest expense	(12,150,454)	(12,858,433)
	<u>11,161,035</u>	<u>(10,013,250)</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	<b>43,617,472</b>	<b>29,237,212</b>
<b>Capital contributions</b>	<b>-</b>	<b>-</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>43,617,472</b>	<b>29,237,212</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<b>694,408,145</b>	<b>665,170,933</b>
<b>NET POSITION AT END OF YEAR</b>	<b><u>\$ 738,025,617</u></b>	<b><u>\$ 694,408,145</u></b>

See notes to the financial statements

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**STATEMENTS OF CASH FLOWS**

**For the Fiscal Years Ended September 30, 2023 and 2022**

	<u>09/30/2023</u>	<u>09/30/2022</u>
<b>Cash flows from operating activities:</b>		
Cash received from assessments	\$ 227,966,913	\$ 212,267,482
Cash received from customers	121,366,337	128,501,249
Cash received from Palm Beach County	4,160,453	3,969,370
Cash received from others	170,254	513,498
Cash paid to suppliers and contractors	(199,916,636)	(192,354,570)
Cash paid to employees	(49,761,343)	(46,135,750)
Cash paid to Palm Beach County for goods and services	(5,101,273)	(4,985,376)
<b>Net cash provided by operating activities</b>	<b><u>98,884,705</u></b>	<b><u>101,775,903</u></b>
 <b>Cash flows from non-capital financing activities</b>		
Grant revenues received	16,464	-
<b>Net cash used by non-capital financing activities</b>	<b><u>16,464</u></b>	<b><u>-</u></b>
 <b>Cash flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	(9,287,221)	(10,614,048)
Proceeds from the sale of capital assets	1,611,210	84,474
Payment for early extinguishment of debt	(15,000,000)	(366,070,000)
Principal paid on outstanding revenue bonds	(48,190,000)	(20,340,000)
Interest paid on revenue bonds and other obligations	(14,340,166)	(25,064,389)
Payments received on leasing activities	313,561	303,175
Interest received on leasing activities	121,851	130,947
Payments paid on leasing activities	(176,292)	(169,006)
Interest paid on leasing activities	(82,213)	(89,053)
<b>Net cash used for capital and related financing activities</b>	<b><u>(85,029,270)</u></b>	<b><u>(421,827,900)</u></b>
 <b>Cash flows from investing activities</b>		
Proceeds from sales / maturities of investments	-	338,740,660
Interest received on investments	20,073,103	6,797,780
<b>Net cash provided by investing activities</b>	<b><u>20,073,103</u></b>	<b><u>345,538,440</u></b>
 <b>Net increase in cash and cash equivalents</b>	<b>33,945,002</b>	<b>25,486,443</b>
 <b>Cash and cash equivalents - beginning</b>	<b><u>458,817,922</u></b>	<b><u>433,331,479</u></b>
 <b>Cash and cash equivalents - ending</b>	<b><u>\$ 492,762,924</u></b>	<b><u>\$ 458,817,922</u></b>
 Cash and cash equivalents - Unrestricted	\$ 220,656,434	\$ 184,146,172
Restricted cash and cash equivalents - current	158,785,140	165,924,444
Restricted cash and cash equivalents - noncurrent	113,321,350	108,747,306
	<b><u>\$ 492,762,924</u></b>	<b><u>\$ 458,817,922</u></b>

(Continued)

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**STATEMENTS OF CASH FLOWS**

**For the Fiscal Years Ended September 30, 2023 and 2022  
(Continued)**

	<u>09/30/2023</u>	<u>09/30/2022</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income	\$ 32,456,437	\$ 39,250,462
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization	61,697,591	65,669,216
Provision for doubtful accounts	16,703	(79,945)
Miscellaneous income	569,613	614,381
Change in net pension liability and related deferred amounts	6,779,572	1,226,538
Lease adjustments	(365,317)	(337,026)
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	745,573	596,399
(Increase) decrease in due from Palm Beach County	(148,844)	(244,506)
(Increase) decrease in due from other government	483,677	(317,881)
(Increase) decrease in inventory	(63,661)	(9,230)
(Increase) decrease in prepaid expenses	(524,447)	(180,868)
Increase (decrease) in accounts payable	2,693,025	434,335
Increase (decrease) in accrued payroll and related liabilities	34,621	206,493
Increase (decrease) in accrued insurance claims payable	81,484	(392,486)
Increase (decrease) in due to Palm Beach County	(23,672)	(134,624)
Increase (decrease) in advance capacity payment	(2,981,260)	(2,981,260)
Increase (decrease) in other current liabilities	(33,830)	136,039
Increase (decrease) in customer deposits	149,140	71,400
Increase (decrease) in other post employment benefits obligation	(26,000)	(68,000)
Increase (decrease) in accrued compensated absences	310,581	(110,884)
Increase (decrease) in accrued landfill closure and postclosure care costs	<u>(2,966,281)</u>	<u>(1,572,650)</u>
Total adjustments	<u>66,428,268</u>	<u>62,525,441</u>
<b>Net cash provided by operating activities</b>	<b><u>\$ 98,884,705</u></b>	<b><u>\$ 101,775,903</u></b>
 <b>Supplemental disclosure of noncash capital and related financing activities</b>		
Amortization of premium on bonds	<u>\$ (933,527)</u>	<u>\$ (17,741,857)</u>
Amortization of advance refunding loss on bonds	<u>\$ (913,994)</u>	<u>\$ 15,635,507</u>

See notes to the financial statements

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The Solid Waste Authority of Palm Beach County (the “Authority”) is a dependent special district created by the Florida Legislature under the Palm Beach County Solid Waste Act, Chapter 75-473, Laws of Florida, Special Acts of 1975, as amended and supplemented (the “Act”). The Authority is governed by a seven-member board, consisting of the Board of County Commissioners of Palm Beach County, Florida (the “County”). The Act gives the Authority the power to construct and operate solid waste disposal facilities sufficient to effectively manage all solid waste generated in Palm Beach County. Additionally, the Act provides the Authority with the jurisdiction to collect waste throughout the unincorporated areas of the County, which is handled by private haulers under contract with the Authority.

Financial Reporting Entity: In evaluating the Authority for financial reporting purposes, management has considered whether or not to include potential component units in the reporting entity based on the criteria set forth in U.S. generally accepted accounting principles (GAAP). As defined by GAAP, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The Authority found that the only entity to consider when applying the above criteria was Palm Beach County, Florida. The Board of County Commissioners of Palm Beach County is the governing Board of the Authority and is financially accountable for the operations of the Authority. Accordingly, the Authority is considered a component unit of Palm Beach County, Florida.

Basis of Presentation: The financial activities of the Authority are accounted for in a single enterprise fund that reports the operations of the solid waste system, which is financed primarily by tipping fees and non-ad valorem assessments to property owners in Palm Beach County. The solid waste system includes landfills, transfer stations and resource recovery facilities located in Palm Beach County. Solid waste collection services are provided by local municipalities and private companies.

Basis of Accounting: The Authority’s single enterprise fund is accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when they are incurred.

Measurement Focus: The Authority’s single enterprise fund is accounted for on a cost of service or “economic resources” measurement focus. This means that assets and all activities are included on the statements of net position. Operating statements present increases (revenues) and decreases (expenses) in net total position. The financial statements distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering services in connection with the Authority’s principal ongoing operations. The principal operating revenues of the Authority are charges to residents and customers for waste collection and disposal and the revenues from the sale of processed waste materials. Operating expenses include the cost of waste collection, disposal and processing services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets: The Authority adopts an annual, operating budget as a financial plan for the year, pursuant to the legal requirements of the Authority's bond documents. The budget is adopted by the governing Board as an operating plan and budgetary basis financial statements are not presented because there is no GAAP requirement to report budgetary basis financial information.

Cash, Cash Equivalents and Investments: Cash and cash equivalents consist of petty cash, deposits in non-interest-bearing checking accounts, money market mutual funds, and investments with Florida Prime managed by the State of Florida, State Board of Administration. All money market mutual funds are registered as a 2a-7 fund with the SEC and reported at amortized cost. Amortized cost is considered fair value for the money market mutual funds. Deposits in Florida Prime are generally available for withdrawal by the Authority on a next day basis and are therefore considered cash equivalents. Florida Prime is an external investment pool administered by the State of Florida, that meets the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which allows reporting the investment at amortized cost and the fair value of the shares in the pool is the same as the Authority's investment in the pool shares.

For purposes of determining cash equivalents, the Authority has defined its policy concerning the treatment of short-term investments to include investments with a maturity of three months or less when purchased, as cash equivalents if management does not plan to reinvest the proceeds. Short-term investments that management intends to rollover into similar investments are considered part of the investment portfolio and are classified as investments.

Accounts Receivable: Accounts receivable are composed of monthly billings for tipping fees, recycled products and electricity; annual billings for assessments to property owners in Palm Beach County; and other immaterial balances. Tipping fees are collateralized by a cash deposit or surety bond approximating 60 days' billing. Assessment billings included on property tax bills are collateralized by a property tax lien. All other accounts receivable are uncollateralized.

Inventory: Inventory consists of equipment spare parts and fill material and is stated at cost on a moving average basis.

Capital Assets: Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at cost or, if donated, acquisition value at the date of donation. Expenses, which materially extend the useful life of existing assets, are capitalized. Certain costs for professional services associated with the acquisition and construction of capital assets are capitalized. The cost of capital assets sold or retired is removed from the appropriate accounts and any resulting gain or loss is included in the change in net position.

Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets, which are summarized as follows:

Buildings	25 – 40 years
Improvements other than buildings	25 – 40 years
Furniture, fixtures and equipment	3 – 10 years

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets: Restricted assets of the Authority represent bond proceeds restricted for construction, and other amounts legally required by the Authority's bond covenants and trust indenture to be set aside for debt service, customer deposits, operations, renewal and replacement and capital improvements. Restricted resources are used first to fund expenses incurred for restricted purposes.

Deferred Outflow of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a usage of net assets that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense) until that time. The Authority has three items that qualify for reporting in this category. The first is the deferred amount on bond refunding. The deferred loss on bond refunding is being amortized, using the proportionate-to-stated-interest method. The second is deferred pension items in connection with the Retirement System. The third is deferred OPEB items in connection to Other Post-Employment Benefits.

Deferred Inflow of Resources: In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has three items that qualify for reporting in this category. The first is deferred pension items in connection with the Retirement System. The second is deferred OPEB items in connection to Other Post-Employment Benefits. The third is deferred items in connection with leases.

Leases: Lease contracts that provide the Authority with control of a non-financial asset, such as land, buildings, or equipment, for a period of time in excess of twelve months are reported as an intangible right to use lease asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible right to use leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Lease contracts that provide an external entity with control of an Authority's non-financial asset, such as land, buildings, or equipment, for a period of time in excess of twelve months are reported as a leased receivable with a related lease deferred inflow of resources. The lease receivable is recorded at the present value of future lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. The lease deferred inflow of resources is recorded for the same amount as the related lease receivable less any lease incentives. Leased deferred inflow of resources are amortized over the lease term. The lease receivable is reduced for lease payments made, less the interest portion of the lease payment.

Customer Deposits: The liability for customer deposits represents cash deposits held as collateral by the Authority on behalf of credit customers.



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Compensated Absences: Authority employees accumulate unused vacation and sick leave within certain limitations. Accumulated vacation and sick leave are payable to employees upon termination or retirement based on policy in the employee manual. The Authority accrues unused vacation and sick leave and related taxes and benefits on the statements of net position as noncurrent liabilities, less the current portion reported with accrued payroll and related liabilities.

Advance Capacity Payment: In October 2011, in conjunction with the Authority's plans to construct its Renewable Energy Facility #2 (REF #2), the Authority entered into an Agreement for the Purchase of Firm Capacity and Energy with Florida Power & Light (FPL). Under the terms of the agreement, the Authority will sell all energy and capacity in excess of its internal consumption needs to FPL. The initial term of the agreement runs through June 1, 2034. As part of the Agreement, the Authority received an Advance Capacity Payment (the "Payment") in the amount of \$56,643,942 in January 2014. This Payment will be earned over the term of the Agreement based on energy production. In addition, portions of the Payment may be required to be refunded in the event that certain production capacity thresholds are not met. The Payment has been treated as unearned revenue subject to pro-rata amounts being earned. The amount earned in 2023 and 2022 was \$2,981,260. The amount to be earned in 2024 of \$2,981,260 is included in current liabilities.

Net Position: The financial statements utilize a net position presentation. Net position is categorized as:

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation/amortization and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent, related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

*Restricted* – This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* – This component of net position consists of elements of net position that do not meet the definition of *Net Investment in Capital Assets* or *Restricted*.

Ad Valorem Taxes: The Authority receives non ad valorem property tax revenues, but does levy an annual assessment on all properties in Palm Beach County for waste disposal costs and an annual assessment on all properties in unincorporated Palm Beach County for waste collection costs.

Revenue Recognition: Revenue from tipping fees is recognized when the service is provided for customers using the Authority's facilities. Credit customers are billed monthly and non-credit customers pay at the transfer station, landfill or resource recovery facility. Revenues from non-ad valorem assessments are recognized when received.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amortization: Premiums and discounts on long-term debt are amortized on the straight-line method over the life of the related debt issues. Gain or losses on advance refundings are amortized using the proportionate-to-stated-interest method for the related debt issue. Intangible right to use lease assets are amortized on the straight-line method over the shorter of the useful life of the asset or the lease term. Lease deferred inflows are amortized on the straight-line method over the lease term.

Landsite Expenses: Landsite expenses include amortization of the cost to design and construct landfill “cells” on property permitted and approved as a landfill site. The design and construction costs for each cell are recorded as capital assets and amortized to expense evenly over the estimated useful life of the cells. Landsite expenses also include accruals for landfill closure and postclosure care costs based on the landfill capacity used in each year and expenses related to end use facilities and operations.

Capital Contributions: The Authority constructed a Biosolids Pelletization Facility with other participating local governments. Occasionally this facility requires capital improvements, which are funded by capital contributions by the participating local governments.

Implementation of GASB Statements: The Authority implemented the following GASB Statements during the fiscal year ended September 30, 2023:

- GASB Statement No. 91, *Conduit Debt Obligation*. This Statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement will improve financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). Implementation of GASB 96 for the years presented in this report was deemed immaterial.
- GASB Statement No. 99, *Omnibus 2022*. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements related to leases, public-private and public-public partnerships, and subscription-based information technology arrangements were implemented in the current year.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements: The Governmental Accounting Standards Board has also issued new Statements effective in future years. Management has not completed its analysis of the effects, if any, of these GASB statements on the financial statements of the Authority:

- GASB Statement No. 99, *Omnibus 2022*. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the fiscal year ending September 30, 2024.
- GASB Statement No. 100, *Accounting Changes and Error Corrections*. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. This Statement is effective for the fiscal year ending September 30, 2024.
- GASB Statement No. 101, *Compensated Absences*. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. This Statement is effective for the fiscal year ending September 30, 2025.
- GASB Statement No. 102, *Certain Risk Disclosures*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. As a result, users will have better information with which to understand and anticipate certain risks to a government's financial condition. This Statement is effective for the fiscal year ending September 30, 2025.

Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Reclassifications: Certain accounts in the prior year's information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

NOTE B - CASH AND INVESTMENTS

Cash and Cash Equivalents: The bank balance and carrying value of the Authority's cash and cash equivalents, including restricted balances, were as follows at September 30, 2023 and 2022:

	2023	2022
Bank balance of deposits with financial institutions (including customer deposits)	\$ 24,698,905	\$ 23,898,736
Carrying value		
Deposits with financial institutions	\$ 24,773,192	\$ 23,166,837
Petty cash and cash drawers	8,400	9,400
Money market mutual funds	237,087,659	244,230,610
Florida Prime	230,893,673	191,411,075
Total cash and cash equivalents	\$ 492,762,924	\$ 458,817,922

The deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as a qualified public depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Accordingly, all deposits with financial institutions are considered fully insured in accordance with pronouncements of the Governmental Accounting Standards Board.

The money market mutual funds consist of investments with financial institutions in open end, institutional, money market funds complying with Securities and Exchange Commission (SEC) Rule 2a7 and investing only in U.S. Government and Agency. Rule 2a7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net assets used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, and requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE B - CASH AND INVESTMENTS (Continued)

Cash and Cash Equivalents (Continued)

The investment in Florida Prime consists of equity in an external investment pool managed by the State of Florida that was available to be withdrawn by the Authority on an overnight basis. Florida Prime meets the requirements with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which allows reporting the investment at amortized cost. The fair value of the position in Florida Prime was considered to be the same as the Authority's account balance (amortized cost) in the pool. The money market mutual funds and Florida Prime are classified as cash equivalents in the statements of net position and statements of cash flows.

Investments: Florida Statutes and Authority policy authorize investments in Florida administered by the State; negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government; interest-bearing time deposits or savings accounts in financial institutions located in Florida and organized under federal or Florida laws; obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank or its district banks; obligations guaranteed by Ginnie Mae; obligations of Fannie Mae; SEC registered money market mutual funds with the highest credit quality rating; mutual funds limited to U.S. Government securities; interest rate swaps, interest rate exchange agreements, investment contracts, or contracts providing for payments based on levels of or changes in interest rates, or contracts to exchange cash flows, a series of payments, or to hedge payment rate, spread or similar exposure; and, repurchase agreements fully collateralized by SEC registered money market mutual funds with the highest credit quality ratings.

The Authority's bond resolutions authorize the investment of bond proceeds in obligations of certain federal government agencies or obligations guaranteed by those agencies; obligations of the United States Government or obligations guaranteed by the United States Government; guaranteed investment contracts meeting certain restrictions; or certain certificates of deposit, repurchase agreements, and investments that are insured or collateralized and otherwise permitted by Florida law. The Authority held Treasury Securities – State and Local Government Series (“SLGS”) issues that were reported at historical cost (face value). U.S. Treasury SLGS were issued to meet the debt service requirements of Refunding Revenue Bonds, Series 2019 until the crossover date of October 1, 2021, see Note I. There is no market for these securities as they may only be redeemed at the U.S. Department of Treasury on or before their stated maturity date at face value plus accrued interest.

GASB Statement No. 72, *Fair Value Measurement and Application*, requires governments to disclose the fair value hierarchy for each type of asset or liability measured at fair value in the notes to the financial statements. The standard also requires governments to disclose a description of the valuation techniques used in the fair value measurement and any significant changes in valuation techniques. GASB 72 establishes a three-tier fair value hierarchy. The hierarchy is based on valuation inputs used to measure the fair value as follows:

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE B - CASH AND INVESTMENTS (Continued)

Investments (Continued)

- Level 1: Inputs are directly observable, quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs are other than quoted prices included within Level 1 that are for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means.
- Level 3: Inputs are unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

The level in which an asset is assigned is not indicative of its quality but an indication of the source of valuation inputs.

Money market mutual funds and Florida Prime are exempt from the GASB 72 fair value hierarchy disclosures.

The fair value of the Authority's investments, including unrestricted and restricted asset balances at September 30, 2023 and 2022 are as follows:

	September 30, 2023	
	Weighted Average Maturity	Fair Value
Investments Reported at Amortized Cost:		
Cash equivalents:		
Money market mutual funds	90 days or less	\$ 237,087,659
Florida Prime	35 days	<u>230,893,673</u>
Total Investments		<u><u>\$ 467,981,332</u></u>
	September 30, 2022	
	Weighted Average Maturity	Fair Value
Investments Reported at Amortized Cost:		
Cash equivalents:		
Money market mutual funds	90 days or less	\$ 244,230,610
Florida Prime	21 days	<u>191,411,075</u>
Total Investments		<u><u>\$ 435,641,685</u></u>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE B - CASH AND INVESTMENTS (Continued)

Custodial Credit Risk: Custodial credit risk is defined as the risk that the Authority may not recover the securities held by another party in the event of a financial failure. The Authority's investment policy for custodial credit risk requires all investment securities to be held in the Authority's name by a third-party safekeeping institution. All deposits with financial institutions are considered fully insured or collateralized pursuant to the custodial credit risk categories of GASB pronouncements. The investments in money market mutual funds and Florida Prime are considered *unclassified* pursuant to the custodial credit risk categories of GASB pronouncements.

Interest Rate Risk: Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The money market mutual funds and Florida Prime have a weighted average maturity of less than 90 days, resulting in minimal interest rate risk.

Credit Risk: Credit risk is the risk that an issuer will not fulfill its obligations. The Authority's investment policy addresses credit risk by limiting allowable investments to the SBA Florida Prime investment pool, deposits with a financial institution meeting the requirements of a Florida qualified public depository, securities guaranteed by the U.S. Government, or investments that are otherwise fully collateralized or secured. The credit quality rating by a Nationally Recognized Statistical Rating Organization (NRSRO) is also an indication of credit risk.

The credit quality ratings of the investments held at September 30, 2023 and 2022 are as follows:

September 30, 2023			
Credit Quality Ratings			
	S&P Rating	Moody's Rating	Fair Value
Investments:			
Money market mutual funds	AAAm	Aaa-mf	\$ 237,087,659
Florida Prime	AAAm	Not Rated	230,893,673
Total Investments			\$ 467,981,332
September 30, 2022			
Credit Quality Ratings			
	S&P Rating	Moody's Rating	Fair Value
Investments:			
Money market mutual funds	AAAm	Aaa-mf	\$ 244,230,610
Florida Prime	AAAm	Not Rated	191,411,075
Total Investments			\$ 435,641,685

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE B - CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk: Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Authority's investment policy addresses the concentration of credit risk by limiting the maximum amount that may be invested in certain investments and in any one issuer, except for investments in Florida Prime, U.S. Treasury obligations and money market mutual funds which are not limited. Time and savings deposits are limited to 20% of the portfolio value, but no more than 5% per issuer. U.S. Government Agency and Instrumentality securities are limited to 40% of the portfolio value. Guaranteed investment contracts are limited to the total debt service reserve balance. Interest rate swap and repurchase agreements are generally limited to 50% of the portfolio fair value and must be fully collateralized or otherwise insured.

The Authority was in compliance with these limitations at September 30, 2023 and 2022. At September 30, 2023 and 2022 certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

	September 30, 2023		September 30, 2022	
	Fair Value	Percentage of Total Investment Portfolio	Fair Value	Percentage of Total Investment Portfolio
Florida Prime	\$ 230,893,673	46.9%	\$ 191,411,075	41.7%
Money market mutual funds				
Dreyfus Government	146,352,146	29.7%	164,358,631	35.8%
Fidelity Government	90,735,513	18.4%	79,871,979	17.4%

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There was no exposure to foreign currency risk in the Authority's investments at September 30, 2023 and 2022.

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable and the related allowance for doubtful accounts at September 30, 2023 and 2022 are summarized as follows:

September 30, 2023	Gross Accounts Receivable	Allowance For Doubtful Accounts	Net Accounts Receivable
Tipping fees	\$ 5,535,421	\$ (114,285)	\$ 5,421,136
Electric generation	3,546,261	-	3,546,261
Recycling	512,044	(63,326)	448,718
Miscellaneous	1,197,592	-	1,197,592
	\$ 10,791,318	\$ (177,611)	\$ 10,613,707



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE C - ACCOUNTS RECEIVABLE (Continued)

<u>September 30, 2022</u>	<u>Gross Accounts Receivable</u>	<u>Allowance For Doubtful Accounts</u>	<u>Net Accounts Receivable</u>
Tipping fees	\$ 4,705,510	\$ (99,255)	\$ 4,606,255
Electric generation	4,569,691	-	4,569,691
Recycling	571,605	(61,653)	509,952
Miscellaneous	1,690,085	-	1,690,085
	<u>\$ 11,536,891</u>	<u>\$ (160,908)</u>	<u>\$ 11,375,983</u>

NOTE D - RESTRICTED ASSETS

Restricted assets consist of the following amounts at September 30, 2023 and 2022, held in the various accounts established by the Authority's bond documents:

<u>September 30, 2023</u>	<u>Cash, Cash Equivalents and Investments</u>	<u>Accrued Interest Receivable</u>	<u>Total</u>
Operating Account			
Customer deposits	\$ 1,287,865	\$ -	\$ 1,287,865
Debt Service Accounts			
Debt Service Reserve	67,567,371	283,980	67,851,351
Interest Account	7,050,796	27,358	7,078,154
Principal Account	25,980,000	104,952	26,084,952
Operating Reserve Account	33,892,026	171,028	34,063,054
Renewal and Replacement			
Reserve Account	47,119,170	138,034	47,257,204
Landfill Management Escrow	45,753,979	192,190	45,946,169
Capital Improvement Account	22,111,457	93,633	22,205,090
2009 Construction Account	6,757,551	29,020	6,786,571
2011 Project Account	14,586,275	62,641	14,648,916
	<u>\$ 272,106,490</u>	<u>\$ 1,102,836</u>	<u>\$ 273,209,326</u>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE D - RESTRICTED ASSETS (Continued)

September 30, 2022	Cash, Cash Equivalents and Investments	Accrued Interest Receivable	Total
Operating Account			
Customer deposits	\$ 1,138,725	\$ -	\$ 1,138,725
Debt Service Accounts			
Debt Service Reserve	67,567,371	123,128	67,690,499
Interest Account	7,421,325	12,558	7,433,883
Principal Account	48,190,000	84,681	48,274,681
Operating Reserve Account	29,358,923	78,054	29,436,977
Renewal and Replacement			
Reserve Account	35,550,486	46,230	35,596,716
Landfill Management Escrow	41,179,935	75,038	41,254,973
Capital Improvement Account	23,798,924	42,159	23,841,083
2009 Construction Account	6,479,647	12,288	6,491,935
2011 Project Account	13,986,414	26,524	14,012,938
	<u>\$ 274,671,750</u>	<u>\$ 500,660</u>	<u>\$ 275,172,410</u>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE E - CAPITAL ASSETS

The changes in capital assets of the Authority for the years ended September 30, 2023 and 2022 are summarized as follows:

	<b>September 30, 2023</b>			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets not being depreciated and amortized				
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Construction in progress	14,881	146,716	(14,881)	146,716
Total capital assets not being depreciated and amortized	<u>50,641,007</u>	<u>146,716</u>	<u>(14,881)</u>	<u>50,772,842</u>
Capital assets being depreciated and amortized				
Buildings	781,466,370	-	(18,931,471)	762,534,899
Improvements other than buildings	172,300,950	122,540	(416,165)	172,007,325
Equipment	766,486,632	11,255,782	(16,167,831)	761,574,583
Leased assets – property	2,240,908	-	-	2,240,908
Leased assets – equipment	275,105	-	-	275,105
Total capital assets being depreciated and amortized	<u>1,722,769,965</u>	<u>11,378,322</u>	<u>(35,515,467)</u>	<u>1,698,632,820</u>
Total capital assets	<u>1,773,410,972</u>	<u>11,525,038</u>	<u>(35,530,348)</u>	<u>1,749,405,662</u>
Less accumulated depreciation and amortization				
Buildings	(407,494,361)	(26,363,673)	18,931,471	(414,926,563)
Improvements other than buildings	(98,114,817)	(6,290,734)	416,165	(103,989,386)
Equipment	(335,728,154)	(28,836,641)	16,150,565	(348,414,230)
Leased assets – property	(243,790)	(121,896)	-	(365,686)
Leased assets – equipment	(169,296)	(84,647)	-	(253,943)
Total accumulated depreciation and amortization	<u>(841,750,418)</u>	<u>(61,697,591)</u>	<u>35,498,201</u>	<u>(867,949,808)</u>
Total capital assets being depreciated and amortized, net	<u>881,019,547</u>	<u>(50,319,269)</u>	<u>(17,266)</u>	<u>830,683,012</u>
Capital assets, net	<u>\$ 931,660,554</u>	<u>\$ (50,172,553)</u>	<u>\$ (32,147)</u>	<u>\$ 881,455,854</u>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE E - CAPITAL ASSETS (Continued)

	<b>September 30, 2022</b>			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets not being depreciated and amortized				
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Construction in progress	1,032,207	14,881	(1,032,207)	14,881
Total capital assets not being depreciated and amortized	<u>51,658,333</u>	<u>14,881</u>	<u>(1,032,207)</u>	<u>50,641,007</u>
Capital assets being depreciated and amortized				
Buildings	781,429,618	36,752	-	781,466,370
Improvements other than buildings	168,245,589	4,062,870	(7,509)	172,300,950
Equipment	762,940,770	7,704,420	(4,158,558)	766,486,632
Leased assets – property	-	2,240,908	-	2,240,908
Leased assets – equipment	-	275,105	-	275,105
Total capital assets being depreciated and amortized	<u>1,712,615,977</u>	<u>14,320,055</u>	<u>(4,166,067)</u>	<u>1,722,769,965</u>
Total capital assets	<u>1,764,274,310</u>	<u>14,334,936</u>	<u>(5,198,274)</u>	<u>1,773,410,972</u>
Less accumulated depreciation and amortization				
Buildings	(380,805,494)	(26,688,867)	-	(407,494,361)
Improvements other than buildings	(90,238,724)	(7,883,602)	7,509	(98,114,817)
Equipment	(307,805,125)	(30,890,204)	2,967,175	(335,728,154)
Leased assets – property	-	(243,790)	-	(243,790)
Leased assets – equipment	-	(169,296)	-	(169,296)
Total accumulated depreciation and amortization	<u>(778,849,343)</u>	<u>(65,875,759)</u>	<u>2,974,684</u>	<u>(841,750,418)</u>
Total capital assets being depreciated and amortized, net	<u>933,766,634</u>	<u>(51,555,704)</u>	<u>(1,191,383)</u>	<u>881,019,547</u>
Capital assets, net	<u>\$ 985,424,967</u>	<u>\$ (51,540,823)</u>	<u>\$ (2,223,590)</u>	<u>\$ 931,660,554</u>

Restatement for the implementation of GASB 87 as of October 1, 2021 related to the intangible right to use assets – leases was deemed immaterial. The changes in intangible right to use assets – leases summarized above reflect the increases or additions presented for the implementation of GASB 87 in fiscal year ending September 30, 2022. The actual amortization expense related to the fiscal year ending September 30, 2022 was \$206,543. See Note Q.

Prior year leased assets and the related accumulated amortization were included in the September 30, 2022 capital asset schedule above for presentation purposes in the current year.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
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**SEPTEMBER 30, 2023 and 2022**

NOTE F - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Authority operated one active landfill site for the years ended September 30, 2023 and 2022. In addition, the Authority is responsible for two landfill sites closed after 1991 and three landfill sites closed prior to 1991. State and federal laws and regulations require the Authority to place a final cover on its operating landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at that and other landfill sites closed after 1991, for thirty years after closure. Although the majority of closure and postclosure care costs will be paid near or after the date that the operating landfill stops accepting waste, the Authority reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each statement of net position date. Starting in the fiscal year 2022, pursuant to Rule 62-701.630, Florida Administrative Code, the Authority is no longer required to demonstrate financial assurance for long-term care of the Dyer Boulevard Landfill.

Landfill closure and postclosure care liabilities at September 30, 2023 and 2022, are as follows:

	2023	2022
Accrued closure and postclosure care costs	\$ 49,991,002	\$ 52,957,283
Accrued postclosure care for closed landfills	-	-
Total accrued landfill closure costs	\$ 49,991,002	\$ 52,957,283

The \$49,991,002 and \$52,957,283 of accrued closure and postclosure care liabilities at September 30, 2023 and 2022, respectively, represent the cumulative cost based on the use of 47.5% and 46.8% of the estimated capacity of the operating landfill. The Authority will recognize the remaining estimated cost of closure and postclosure care of approximately \$78.2 million for the operating landfill as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2023. Based on current demographic information and engineering estimates of landfill consumption, the Authority expects to close the landfill in approximately 2054. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Authority is required by state laws and regulations to make annual contributions to an escrow account to finance all closure costs or prepare and submit alternate proof of financial assurance to the Florida Department of Environmental Protection on an annual basis showing that the Authority has sufficient financial resources to cover, at a minimum, the costs of complying with all state landfill closing and long-term care requirements. The Authority is in compliance with these requirements, and at September 30, 2023 and 2022, cash and cash equivalents of \$45,753,979 and \$41,179,935, respectively, were held for these purposes. These amounts are reported as noncurrent restricted assets on the statements of net position. However, the Authority has elected to submit alternate proof of financial assurance for the fiscal year 2023, which will relieve the restriction on the escrow account once the alternate proof of financial assurance is accepted by the Department of Environmental Protection. Prior to this election, the Authority expected that future inflation costs would have been paid from interest earnings on these invested amounts and subsequent annual contributions. However, if interest earnings were inadequate or additional closure or postclosure care requirements were determined (due to changes in technology or applicable laws or regulations), these costs may have needed to be covered by charges to future users of the solid waste system or from future non-ad valorem assessments. At September 30, 2023 and 2022, the statutorily required escrow account balance was \$39,973,240 and \$31,837,738, respectively.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE F - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (Continued)

Prior to the alternate proof of financial assurance election, State laws and regulations specify that required landfill escrow account balances must be calculated using either the “Pay-in” or the “Balance” method, as they are statutorily defined. During 2006, the Authority changed from the Pay-in method to the Balance method. The Authority would be required to continue using the Balance method through the remaining design life of the Site 7 landfill if the Authority financed all closure cost with an escrow account. Although the Authority is not legally required by state or federal laws and regulations to provide funding for the landfill sites closed prior to 1991, the Authority has accepted financial responsibility for these sites. The annual long-term care funding requirements for these sites were not estimated or accrued at September 30, 2023 and 2022; however, management does not believe that the annual costs are material to the Authority and these costs will be adequately funded through future, annual operating budgets.

NOTE G - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft, environmental damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The Authority purchases commercial insurance for property damage with coverage up to a maximum of \$1.18 billion. This is subject to various policy sub-limits generally ranging from \$1.11 million to \$500 million and deductibles ranging from \$250,000 to \$1 million per location (2% for REF#1 and REF#2, per location, and 5% of total property damage values at all other locations for a named windstorm, subject to a minimum of \$250,000). The Authority also purchases excess auto and general liability coverage of \$25 million, subject to a self-insured retention of \$150,000. Auto and General liability claims are limited by the Florida constitutional doctrine of sovereign immunity to \$200,000 per claim and \$300,000 per occurrence unless a higher claim is approved by the Florida Legislature. The limits addressed in the Florida Statutes do not apply to claims filed in Federal courts. Settled claims for property damage and general liability insurance have not exceeded commercial insurance coverage in any of the last three years.

The Authority purchases commercial insurance for workers’ compensation benefits with statutory coverage limits and employer’s liability coverage of \$1,000,000 per occurrence and per employee, subject to a specific retention of \$250,000 per occurrence. Settled claims have not exceeded commercial insurance coverage in any of the last three years. Changes in the claims liability for workers’ compensation benefits for the years ended September 30, 2023, 2022, and 2021, were as follows:

Year Ended September 30,	Liability at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability At End of Year
2023	\$ 285,600	\$ 514,550	\$ (444,350)	\$ 355,800
2022	679,000	(325,822)	(67,578)	285,600
2021	114,900	1,251,979	(687,879)	679,000

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE H - REVENUE BONDS PAYABLE

Revenue bonds payable by the Authority at September 30, 2023 and 2022, are summarized as follows:

	2023	2022
Direct Placement Revenue Bonds		
Series 2021	\$ 57,420,000	\$ 95,300,000
Series 2019	345,825,000	347,605,000
Revenue Bonds		
Series 2017	39,230,000	62,760,000
Series 2015	50,330,000	50,330,000
Unamortized premium	4,278,665	5,212,192
Net revenue bonds payable	497,083,665	561,207,192
Less current maturities	(25,980,000)	(48,190,000)
Revenue bonds payable, long-term portion	\$ 471,103,665	\$ 513,017,192

Series 2021: \$118,295,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2021 dated July 6, 2021. The Series 2021 Bonds, in conjunction with approximately \$2.5 million in the Authority's Debt Service Reserve Fund and \$1.5 million from the Debt Service Fund provided funding to advance refund and defease \$119,055,000 of the Authority's outstanding Refunding Revenue Bonds, Series 2011 and pay the cost of issuance of the Series 2021 Bonds.

Interest on the Series 2021 Bonds is payable semiannually on April 1st and October 1st and principal payments are due on October 1st, with the final payment due on October 1, 2025.

The debt service requirements and interest rates of the Series 2021 Bonds are as follows:

Year Ending September 30,	Interest Rate	Principal	Interest	Total
2024	0.67%	\$ -	\$ 384,484	\$ 384,484
2025	0.67	17,820,000	324,823	18,144,823
2026	0.67	39,600,000	132,581	39,732,581
		\$ 57,420,000	\$ 841,888	\$ 58,261,888

On June 16, 2022, the Authority used approximately \$23.0 million of available Authority monies to call and retire \$22,995,000 of Series 2021 Refunding Revenue Bonds with a scheduled maturity date of October 1, 2023. On June 21, 2023, the Authority used approximately \$15.0 million of available Authority monies to call and retire \$15,000,000 of Series 2021 Refunding Revenue Bonds with a scheduled maturity date of October 1, 2024.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE H - REVENUE BONDS PAYABLE (Continued)

Series 2019: \$347,605,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2019 dated February 20, 2019. The Series 2019 Bonds provided funding to purchase U.S. Treasury Securities that were placed in an irrevocable trust to (i) pay the interest coming due on the Series 2019 Bonds through October 1, 2021 (the “Crossover Date”), (ii) on the Crossover Date, retire \$336,665,000 of the Authority’s outstanding Refunding Revenue Bonds, Series 2011 maturing on October 1, 2031, and (iii) pay costs of issuing the Series 2019 Bonds. As a result, the Series 2011 Bonds were not defeased at the time of issuance of the Series 2019 Bonds and remained outstanding for all purposes until the Crossover Date. On the Crossover Date, the Series 2019 Bonds, in conjunction with approximately \$6.4 million in the Authority’s Debt Service Reserve Fund provided funding to advance refund and defease \$343,075,000 of the Authority’s outstanding Refunding Revenue Bonds, Series 2011 on which date the Series 2011 Bonds were redeemed and discharged. The Series 2019 Bonds were initially issued the Taxable Interest Rate of 3.65%. On or prior to the Crossover Date, the Authority obtained and provided to the registered owners of the Series 2019 Bonds an unqualified opinion of bond counsel to the effect that as of the Crossover Date the interest thereafter payable on the Series 2019 Bonds is excluded from the gross income of the holders thereof for federal income tax purposes, then after the Crossover Date the Series 2019 Bonds shall bear interest at the Tax-Exempt Interest Rate of 2.88%.

In 2022, the advance refunding of the Series 2011 Bonds by the Authority reduced its aggregate debt service payments by approximately \$44,364,596 over the life of the bonds and produced an economic gain (the difference between the present values of the old and new debt service payments) of approximately \$35,494,113.

Interest on the Series 2019 Bonds is payable semiannually on April 1<sup>st</sup> and October 1<sup>st</sup> and principal payments are due on October 1<sup>st</sup>, with the final payment due on October 1, 2031.

The debt service requirements and interest rates of the Series 2019 Bonds are as follows:

Year Ending September 30,	Interest Rate	Principal	Interest	Total
2024	2.88%	\$ 1,845,000	\$ 9,933,192	\$ 11,778,192
2025	2.88	1,910,000	9,879,120	11,789,120
2026	2.88	1,980,000	9,823,104	11,803,104
2027	2.88	39,875,000	9,220,392	49,095,392
2028	2.88	46,700,000	7,973,712	54,673,712
2029	2.88	49,390,000	6,590,016	55,980,016
2030	2.88	65,605,000	4,934,088	70,539,088
2031	2.88	68,010,000	3,010,032	71,020,032
2032	2.88	70,510,000	1,015,341	71,525,341
		\$ 345,825,000	\$ 62,378,997	\$ 408,203,997



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE H - REVENUE BONDS PAYABLE (Continued)

Series 2017: \$107,985,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Federally Taxable Series 2017 dated August 30, 2017. The Series 2017 Bonds, in conjunction with approximately \$16.2 million in the Authority’s Debt Service Reserve Fund and \$2.3 million from the Debt Service Fund provided funding to advance refund and defease \$104,280,000 of the Authority’s outstanding Improvement Revenue Bonds, Series 2009 and pay the cost of issuance of the Series 2017 Bonds.

Interest on the Series 2017 Bonds is payable semiannually on April 1<sup>st</sup> and October 1<sup>st</sup> and principal payments are due on October 1<sup>st</sup>, with the final payment due on October 1, 2024.

The debt service requirements and interest rates of the Series 2017 Bonds are as follows:

Year Ending September 30,	Interest Rate	Principal	Interest	Total
2024	2.44%	\$ 24,135,000	\$ 691,869	\$ 24,826,869
2025	2.64	15,095,000	198,952	15,293,952
		<u>\$ 39,230,000</u>	<u>\$ 890,821</u>	<u>\$ 40,120,821</u>

On July 15, 2020, the Authority deposited approximately \$23.6 million of available Authority monies into an escrow account to defease \$22,975,000 of Federally Taxable Series 2017 Refunding Revenue Bonds with a scheduled maturity date of October 1, 2021.

Series 2015: \$50,330,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2015 dated February 19, 2015. The Series 2015 Bonds, in conjunction with approximately \$83.8 million in the Authority’s 2008B Project Account, \$3.0 million from the 2008B Interest Account, and \$6.2 million from the Debt Service Reserve Fund provided funding to advance refund and defease all of the Authority’s outstanding Improvement Revenue Bonds, Series 2008B and pay the cost of issuance of the Series 2015 Bonds.

Interest on the Series 2015 Bonds is payable semiannually on April 1st and October 1st and principal payments are due on October 1st, with the final payment due on October 1, 2028.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE H - REVENUE BONDS PAYABLE (Continued)

Series 2015 (Continued)

The debt service requirements and interest rates of the Series 2015 Bonds are as follows:

Year Ending September 30,	Interest Rate	Principal	Interest	Total
2024	5.00%	\$ -	\$ 2,516,500	\$ 2,516,500
2025	5.00	-	2,516,500	2,516,500
2026	5.00	10,870,000	2,244,750	13,114,750
2027	5.00	11,525,000	1,684,875	13,209,875
2028	5.00	12,130,000	1,093,500	13,223,500
2029	5.00	15,805,000	395,125	16,200,125
		<u>\$ 50,330,000</u>	<u>\$ 10,451,250</u>	<u>\$ 60,781,250</u>

Series 2011: \$599,860,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2011 dated October 26, 2011. The Series 2011 Bonds, in conjunction with the refunded Series 2010 Bonds, provided funding for the acquisition and construction of the Renewable Energy Facility #2 (REF #2) mass burn facility, funding for the corresponding Debt Service Reserve Account, and funds for the cost of issuance of the Series 2011 Bonds.

Interest on the Series 2011 Bonds was payable semiannually on April 1st and October 1st and principal payments were due on October 1st.

On September 1, 2016, the Authority deposited approximately \$7.5 million of available Authority monies into an escrow account to defease \$735,000 of 2011 Refunding Revenue Bonds that with a scheduled maturity date of October 1, 2025 and to defease \$5,450,000 of 2011 Refunding Revenue Bonds with a scheduled maturity date of October 1, 2031 for a total defeasance of \$6,185,000 of 2011 Refunding Revenue Bonds. The total defeasance of \$6,185,000 of Series 2011 Bonds were called and retired on October 1, 2021.

On July 6, 2021, the proceeds of the sale of the Series 2021 Bonds, together with funds contributed by the Authority, after payment of costs of issuance, were deposited into the Series 2011 special fund, an irrevocable escrow fund with an independent trustee created under the Indenture. The trustee of the Special Fund invested the amounts on deposit in cash and U.S. Government Securities to provide for refunding all future debt service payments when due. As a result, the \$119,055,000 of the Series 2011 Bonds are considered to be “defeased” and do not constitute a debt or indebtedness of the Authority, nor is the Authority obligated for repayment of these bonds. The total defeasance of \$119,055,000 of Series 2011 Bonds were called and retired on October 1, 2021.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE H - REVENUE BONDS PAYABLE (Continued)

Series 2011 (Continued)

On October 1, 2021, funds held in escrow refunded Series 2011 Refunding Revenue Bonds in the amount of \$336,665,000 and \$6,410,000 of the Series 2011 Refunding Revenue Bonds were called using the Authority's debt service reserve fund. The total outstanding principal balance of \$363,415,000 for the Series 2011 Bonds were retired October 1, 2021, which included a principal payment of \$20,340,000.

As of September 30, 2023, all Series 2011 Bonds have been retired.

Legal Requirements: The Authority does not have a legal debt margin. All outstanding revenue bonds of the Authority are secured by a pledge of the net revenues of the solid waste system. The bond documents require the following accounts and reserves to be established by the Authority:

<u>Account</u>	<u>Purpose</u>
Revenue Account	To collect gross revenues derived from the solid waste system.
Operating Account	To pay the budgeted operating expenses for the Authority.
Debt Service Accounts (including principal account, interest account, debt service reserve account, and Series 2019 escrow)	To accumulate sufficient funds to meet the annual debt service requirements of outstanding revenue bonds.
Subordinated Indebtedness Account	To accumulate sufficient funds to meet the annual debt service requirements of any outstanding indebtedness subordinate to outstanding revenue bonds.
Operating Reserve Account	To pay operating expenses of the Authority whenever monies on deposit in the Operating Account are insufficient.
Renewal and Replacement Account	To accumulate funds for the purpose of funding the cost of replacement or renewal of capital assets of the system and extraordinary repairs thereto.
Capital Improvement Account	To pay the cost of extensions, improvements or additions to capital assets of the solid waste system.
2009 Construction Account	To pay for the cost of construction projects financed by the Series 2009 bonds
2011 Project Account	To pay for the cost of construction projects financed by the Series 2011 bonds
General Reserve Account	First used to cover deficiencies in any other accounts and then for capital improvements or renewal and replacement of the solid waste system.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE H - REVENUE BONDS PAYABLE (Continued)

Legal Requirements (Continued)

In accordance with the requirements of the bond documents, revenues are first applied to the Operating Account in an amount sufficient to cover operating expenses. Revenues are next used for the required payments of principal and interest on the outstanding revenue bonds and then the subordinated indebtedness. Revenues are next used to fund the operating reserve and then for the renewal, replacement and capital improvement of the solid waste system. Remaining revenues are deposited in the General Reserve Account.

The Series 2021 Bonds include a provision that outstanding payments in default on this Bond shall bear interest at a rate 3% above the current Interest Rate on this Bond; provided upon the occurrence of a payment default longer than 90 days, the outstanding principal on this Bond shall bear interest at a rate 3% above the current Interest Rate until such payment default has been cured.

The Series 2019 Bonds include a provision that during the continuance of an event of default or rating event, at the option of the Registered Owner, exercised in writing delivered by it to the Authority, the Interest Rate shall be increased to 12% per annum. If any payment due is not paid within fifteen days after the due date, the Authority shall pay the Registered Owner on demand a rate fee equal to 4% of the overdue payment.

All other revenue bonds include a provision in the event of default that either the Trustee or the Holders of not less than twenty-five per centum (25%) in principal amount of the bonds outstanding shall declare the principal of all the bonds then outstanding, and the accrued interest accrued thereon, to be due and payable immediately. If an event of default is not remedied, then the Authority, upon the demand of the Trustee, will pay the net revenues pledged by the bond covenants to the Trustee.

The Series 2011 Bonds includes an Extraordinary Optional Redemption clause allowing for redemption of prior to maturity at a redemption price of one hundred percent (100%) of the principal amount, plus accrued interest, if any, to the redemption date, in whole or in part at any time, in the event of damage, condemnation or loss of title of the REF#1 and REF#2 renewable energy facilities.

Annual Maturities: Maturities for the outstanding bonds of the Authority are as follows:

Year Ending September 30,	Revenue Bonds		
	Principal	Interest	Total
2024	24,135,000	3,208,369	27,343,369
2025	15,095,000	2,715,452	17,810,452
2026	10,870,000	2,244,750	13,114,750
2027	11,525,000	1,684,875	13,209,875
2028	12,130,000	1,093,500	13,223,500
2029	15,805,000	395,125	16,200,125
	<u>\$ 89,560,000</u>	<u>\$ 11,342,071</u>	<u>\$ 100,902,071</u>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE H - REVENUE BONDS PAYABLE (Continued)

Annual Maturities (Continued)

Year Ending September 30,	Series 2021 and Series 2019 Refunding Revenue Bonds Direct Placement		
	Principal	Interest	Total
2024	1,845,000	10,317,676	12,162,676
2025	19,730,000	10,203,943	29,933,943
2026	41,580,000	9,955,685	51,535,685
2027	39,875,000	9,220,392	49,095,392
2028	46,700,000	7,973,712	54,673,712
2029-2032	253,515,000	15,549,477	269,064,477
	\$ 403,245,000	\$ 63,220,885	\$ 466,465,885

Interest Expense: Total interest costs incurred on all Authority debt for the years ended September 30, 2023 and 2022 were \$12,707,575 and \$12,777,339, respectively. For the years ended September 30, 2023 and 2022, net interest costs (net of interest revenue on construction funds of \$635,979 and \$85,946 in 2023 and 2022, respectively) and \$12,071,596 and \$12,691,393, respectively, were expensed.

Defeased Bonds: As of September 30, 2023, no defeased bonds remain outstanding.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE I - CHANGES IN NONCURRENT LIABILITIES

Changes in long-term debt for the years ended September 30, 2023 and 2022 are summarized as follows:

September 30, 2023	Balance at Beginning of Year	Increases	Decreases and Retirements	Balance at End of Year	Amounts Due Within One Year
Compensated absences	\$ 5,925,987	\$ 3,729,388	\$ (3,418,807)	\$ 6,236,568	\$ 518,882
Lease liability	2,101,158	-	(176,292)	1,924,866	115,277
Net pension liability	36,099,291	4,799,654	-	40,898,945	-
Total other postemployment liability	571,000	171,000	(98,000)	644,000	-
Advanced capacity payment payment	35,154,025	-	(2,981,260)	32,172,765	2,981,260
Landfill closure and postclosure care costs	52,957,283	-	(2,966,281)	49,991,002	-
Notes and bonds from direct borrowings and placements					
Revenue Bond, Series 2019	347,605,000	-	(1,780,000)	345,825,000	1,845,000
Revenue Bond, Series 2021	95,300,000	-	(37,880,000)	57,420,000	-
Revenue bonds					
Series 2017	62,760,000	-	(23,530,000)	39,230,000	24,135,000
Series 2015	50,330,000	-	-	50,330,000	-
	<u>\$ 688,803,744</u>	<u>\$ 8,700,042</u>	<u>\$ (72,830,640)</u>	624,673,146	<u>\$ 29,595,419</u>
Unamortized premium				4,278,665	
Current maturities				<u>(29,595,419)</u>	
Net long-term liabilities				<u>\$ 599,356,392</u>	

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE I - CHANGES IN NONCURRENT LIABILITIES (Continued)

September 30, 2022	Balance at Beginning of Year	Increases	Decreases and Retirements	Balance at End of Year	Amounts Due Within One Year
Compensated absences	\$ 6,036,871	\$ 3,378,683	\$ (3,489,567)	\$ 5,925,987	\$ 458,671
Lease liability	-	2,516,013	(414,855)	2,101,158	176,292
Net pension liability	15,825,370	20,273,921	-	36,099,291	-
Total other postemployment liability	755,000	55,000	(239,000)	571,000	-
Advanced capacity payment	38,135,285	-	(2,981,260)	35,154,025	2,981,260
Landfill closure and postclosure care costs	54,529,933	-	(1,572,650)	52,957,283	-
Notes and bonds from direct borrowings and placements					
Revenue Bond, Series 2019	347,605,000	-	-	347,605,000	1,780,000
Revenue Bond, Series 2021	118,295,000	-	(22,995,000)	95,300,000	22,880,000
Revenue bonds					
Series 2017	62,760,000	-	-	62,760,000	23,530,000
Series 2015	50,330,000	-	-	50,330,000	-
Series 2011	363,415,000	-	(363,415,000)	-	-
	<u>\$ 1,057,687,459</u>	<u>\$ 26,223,617</u>	<u>\$ (395,107,332)</u>	688,803,744	<u>\$ 51,806,223</u>
Unamortized premium				5,212,192	
Current maturities				<u>(51,806,223)</u>	
Net long-term liabilities				<u>\$ 642,209,713</u>	

Restatement for the implementation of GASB 87 as of October 1, 2021 related to the lease liability was deemed insignificant. The changes in the lease liability summarized above reflect the increases and decreases presented for the implementation of GASB 87 in fiscal year ending September 30, 2022. See Note Q.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE J - RESTRICTED NET POSITION

Net position was restricted for the following restricted asset accounts required by the Authority's trust indenture and outstanding revenue bonds at September 30, 2023 and 2022:

September 30, 2023	Restricted Assets	Liabilities Payable From Restricted Assets	Unspent Debt Proceeds	Restricted Net Position
Operating Account				
Customer Deposits	\$ 1,287,865	\$ 1,287,865	\$ -	\$ -
Debt Service Accounts	101,014,457	7,162,573	67,851,351	26,000,533
Operating Reserve Account	34,063,054	-	-	34,063,054
Renewal and Replacement				
Reserve Account	47,257,204	4,105,391	-	43,151,813
Landfill Management Escrow Account (1)	45,946,169	45,946,169	-	-
Capital Improvement Account	22,205,090	31,154	-	22,173,936
2009 Construction Account	6,786,571	-	6,786,571	-
2011 Project Account	14,648,916	-	14,648,916	-
	<u>\$273,209,326</u>	<u>\$ 58,533,152</u>	<u>\$ 89,286,838</u>	<u>\$125,389,336</u>

(1) Actual liabilities payable from restricted assets for the Landfill Management Escrow Account was \$49,991,002 as of September 30, 2023.



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE J - RESTRICTED NET POSITION (Continued)

September 30, 2022	Restricted Assets	Liabilities Payable From Restricted Assets	Unspent Debt Proceeds	Restricted Net Position
Operating Account				
Customer Deposits	\$ 1,138,725	\$ 1,138,725	\$ -	\$ -
Debt Service Accounts	123,399,063	7,583,622	67,690,499	48,124,942
Operating Reserve Account	29,436,977	-	-	29,436,977
Renewal and Replacement				
Reserve Account	35,596,716	1,903,617	-	33,693,099
Landfill Management Escrow Account (2)	41,254,973	41,254,973	-	-
Capital Improvement Account	23,841,083	9,996	-	23,831,087
2009 Construction Account	6,491,935	-	6,491,935	-
2011 Project Account	14,012,938	-	14,012,938	-
	<u>\$275,172,410</u>	<u>\$ 51,890,933</u>	<u>\$ 88,195,372</u>	<u>\$135,086,105</u>

(2) Actual liabilities payable from restricted assets for the Landfill Management Escrow Account was \$52,957,283 as of September 30, 2022.

Net position is restricted for the operating account, debt service accounts, operating reserve account, renewal and replacement accounts, capital improvement account and construction accounts to the extent that restricted assets exceed the respective liabilities payable from restricted assets and the unspent portion of revenue bond proceeds held as restricted assets.

NOTE K - CAPITAL CONTRIBUTIONS

In cooperation with major water and sewer utilities in Palm Beach County, the Authority constructed a Biosolids Pelletization Facility (“BPF”) to handle wastewater sludge disposal and eliminate the practice of land spreading sludge in environmentally sensitive watersheds of South Florida. Funding for the project was shared between the Authority, the participating local governmental utilities and federal, state and local grants. Pursuant to interlocal agreements with participating utilities, the Authority owns and operates the BPF and bills each participant for their allocable share of operating and capital costs. In 2023, the Authority recorded no capital contributions from its partners. In 2022, the Authority recorded no capital contributions from its partners. The participants do not retain any ongoing financial interest in the BPF facilities and have no ongoing financial obligation to the Authority beyond payment of the current charges billed by the Authority.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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**NOTE L - RELATED PARTY TRANSACTIONS**

The Authority is a component unit of Palm Beach County, Florida. For the years ended September 30, 2023 and 2022 the Authority billed various departments of the County for assessments of \$2,106,750 and \$2,053,703, respectively; tipping and other fees of \$1,873,174 and \$1,708,344, respectively. The Authority billed no capital contributions to Palm Beach County in 2023 and billed no capital contributions to Palm Beach County in 2022. At September 30, 2023, there were no capital contributions due from Palm Beach County and there were no capital contributions due from Palm Beach County at September 30, 2022. In addition, the Authority received \$617,959 and \$375,401 during 2023 and 2022, respectively, from Palm Beach County for certificate of occupancy billings related to partial year assessments.

Operating expenses of the Authority for the years ended September 30, 2023 and 2022 include charges of \$2,118,424 and \$1,669,890, respectively, by the Palm Beach County Tax Collector for services rendered to the Authority in connection with the annual assessment billing, net of refunds receivable of \$2,249,147 and \$2,326,609 at September 30, 2023 and 2022, respectively. In addition, Palm Beach County billed the Authority for various other materials and contractual services totaling \$3,179,101 and \$3,078,818 for the years ended September 30, 2023 and 2022, respectively. At September 30, 2023 and 2022, \$2,617,915 and \$2,469,071, respectively, was due from Palm Beach County for Tax Collector rebates, assessments, tipping fees and other charges, and \$9,685 and \$33,357, respectively, was payable to Palm Beach County for various administrative services.

In connection with the closure of the Authority's Dyer Boulevard landfill site in prior years, a portion of the closed landfill was redeveloped and opened as a park facility. The Authority entered into an initial 25-year lease (expired in 2022) with Palm Beach County for \$10 per year to maintain the park and its facilities, which had a carrying value of approximately \$1.0 million at September 30, 2023 and \$1.3 million at September 30, 2022. The lease was extended in fiscal year 2022 for a term of 25 years under the same terms and conditions. The lease provides the option to extend the term for two additional periods of 25 years each under the same terms and conditions.

In cooperation with Palm Beach County, the Authority constructed a golf course on the site of the closed Lantana landfill. Palm Beach County and the Authority agreed to each fund 50% of the cost of the project. The Authority owns all the improvements and leases the golf course to Palm Beach County to operate under a long-term lease for \$10 per year. At September 30, 2023 and 2022, the carrying value of the golf course property and improvements was approximately \$4.5 million and \$5.1 million, respectively. The lease is for a period of 25 years and expires in December 2024.

**NOTE M - OTHER POSTEMPLOYMENT BENEFITS**

***General Information about the OPEB Plan***

Retirees of the Authority pay an amount equal to the actual premium for health insurance charged by the carrier. The premium charged includes an implied subsidy, as the amount charged for all participants (active employee or retiree) is the same, regardless of age. Under GASB 75, an implied subsidy is considered other post-employment benefits (OPEB).

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

The following describes the Authority’s OPEB Provisions:

Plan Description: The Authority provides a single employer defined benefit health care plan to all of its employees and the plan is administered by the Authority. The plan has no assets and does not issue a separate financial report.

Benefits Provided: The plan allows its employees and their beneficiaries, at their own cost, to obtain medical/Rx and other insurance benefits upon retirement. The benefits of the plan are in accordance with Florida Statutes, which are the legal authority for the plan.

Employees Covered by Benefit Terms: At December 1, 2023, the most recent actuarial valuation date, the following employees were covered by benefit terms:

Participants	
Active employees	385
Inactive employees currently receiving benefits	12
Inactive employees entitled to but not receiving benefits	-
Total	397

Contribution Requirements: The Authority does not make direct contributions to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group health rates as active employees. However, the Authority’s actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an employer contribution, based upon an implicit rate subsidy. This offset equals the total annual age-adjusted costs paid by the Authority, or its active employees, for coverage of the retirees and their dependents net of the retiree’s own payments for the year.

***Total OPEB Liability***

As of September 30, 2023, the Authority’s OPEB liability of \$644,000 was measured as of September 30, 2023 and was determined by the actuarial valuation as of December 1, 2023. As of September 30, 2022, the Authority’s OPEB liability of \$571,000 was measured as of September 30, 2022 and was determined by the actuarial valuation as of September 1, 2021.

Actuarial Assumptions and Methods: The total OPEB liability was determined using the following actuarial assumptions and other methods:

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Methods (Continued)

September 30, 2023

Valuation date	December 1, 2023
Measurement date	September 30, 2023
Discount Rate	4.63%
Cost Method	This valuation uses the Entry Age Normal Funding Method calculated on an individual basis with level percentage of payroll.
Roll Forward Method	Calculations were performed as of the actuarial valuation date and liabilities were rolled from the valuation date to the measurement date through use of a roll forward method. Liabilities are adjusted for passage of time by adding normal cost minus benefit payments all adjusted with interest.
Election Assumption	For current retirees, actual medical coverage elections provided by the Authority were used. For future retirees, 20% are assumed to have health insurance at retirement/disability and elect coverage in the Plan.
Spousal Coverage and Age	Actual coverage status is used for active employees and retirees, and actives are assumed not to change their medical coverage election upon retirement. For example, employees with individual coverage are assumed to elect individual coverage in retirement, and employees with spousal coverage are assumed to elect spousal coverage in retirement. Actual ages were used for spouses of current retirees if their date of birth was provided in the census data. For participants where it was not provided and for future retirees, females were assumed to be 3 years younger than male spouses. Spouses were assumed to be the opposite gender of retirees.
Healthcare Cost Trend	The healthcare cost trend assumption was developed using the Society of Actuaries (SOA) Long-Run Medical Cost Trend Model. The current valuation uses the 2024 version of the model with baseline assumptions.
Decrement Assumptions	
Mortality	
Healthy Active	Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale
Healthy Inactive	Pub-2010 General Retirees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale
Disabled	Pub-2010 General Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP-2021 Mortality Improvement Scale
Retirement	The retirement rates were adjusted from the rates used for the FRS Pension valuation because FRS considers an active participant to be “retired” when the participant enters the Deferred Retirement Option Program (DROP). However, for OPEB purposes, an active participant does not “retire” and commence OPEB benefits until the participant exits DROP. Therefore, the rates were adjusted so an active participant “retires” when he/she exits DROP, which is assumed to be three years later.
Per Capita Claims Cost	The average premium was calculated by blending the FY2024 premiums for each plan based on enrollment as of the valuation date and trending to the midpoint of the projection period using 7.50% trend. The average premium was then age adjusted to determine a retiree per capita cost. The morbidity rates were based on the Yamamoto Aging curve that was blended for Medical and Rx cost.
Salary Increase Rates	3.40% to 7.80%

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Methods (Continued)

September 30, 2022

Valuation date	September 1, 2021
Measurement date	September 30, 2022
Discount Rate	4.40%
Cost Method	This valuation uses the Entry Age Normal Funding Method calculated on an individual basis with level percentage of payroll.
Roll Forward Method	Calculations were performed as of the actuarial valuation date and liabilities were rolled from the valuation date to the measurement date through use of a roll forward method. Liabilities are adjusted for passage of time by adding normal cost minus benefit payments all adjusted with interest.
Election Assumption	For current retirees, actual medical coverage elections provided by the Authority were used. For future retirees, 20% are assumed to have health insurance at retirement/disability and elect coverage in the Plan.
Spousal Coverage and Age	Actual coverage status is used for active employees and retirees, and actives are assumed not to change their medical coverage election upon retirement. For example, employees with individual coverage are assumed to elect individual coverage in retirement, and employees with spousal coverage are assumed to elect spousal coverage in retirement. Actual ages were used for spouses of current retirees if their date of birth was provided in the census data. For participants where it was not provided and for future retirees, females were assumed to be 3 years younger than male spouses. Spouses were assumed to be the opposite gender of retirees.
Healthcare Cost Trend	The rate of change in per capita health claim costs over time as a result of factors such as medical inflation, utilization of healthcare services, plan design, and technological developments.
Decrement Assumptions	
Mortality	
Healthy Active	Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP-2020 Mortality Improvement Scale
Healthy Inactive	Pub-2010 General Retirees Headcount-Weighted Mortality Projected with Fully Generational MP-2020 Mortality Improvement Scale
Disabled	Pub-2010 General Disabled Retirees Headcount-Weighted Mortality Projected with Fully Generational MP-2020 Mortality Improvement Scale
Retirement	The retirement rates were adjusted from the rates used for the FRS Pension valuation because FRS considers an active participant to be “retired” when the participant enters the Deferred Retirement Option Program (DROP). However, for OPEB purposes, an active participant does not “retire” and commence OPEB benefits until the participant exits DROP. Therefore, the rates were adjusted so an active participant “retires” when he/she exits DROP, which is assumed to be three years later.
Per Capita Claims Cost	Weighted the FYE 2022 premium rates by the current enrollment.
Salary Increase Rates	3.40% to 7.80%

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Discount Rate: The Authority does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate is a yield or index rate for 20-year, tax-exempt municipal bonds. As of September 30, 2023, the calculation used a rate of 4.63%. As of September 30, 2022, the calculation used a rate of 4.40%.

*Changes in the Total OPEB Liability*

September 30, 2023	Total OPEB Liability
Balance at September 30, 2022	\$ 571,000
Changes for the Year:	
Service Cost	33,000
Interest Cost	24,000
Experience Losses/(Gains)	89,000
Changes of Assumptions or Other Inputs	25,000
Benefit Payments	(98,000)
Net Change in Total OPEB Liability	\$ 73,000
Balance at September 30, 2023	\$ 644,000
September 30, 2022	Total OPEB Liability
Balance at September 30, 2021	\$ 755,000
Changes for the Year:	
Service Cost	42,000
Interest Cost	13,000
Experience Losses/(Gains)	(87,000)
Changes of Assumptions or Other Inputs	(49,000)
Benefit Payments	(103,000)
Net Change in Total OPEB Liability	\$ (184,000)
Balance at September 30, 2022	\$ 571,000

Changes in Assumptions: As of September 30, 2023, all assumptions, methods, and results are based on the fiscal year 2023 GASB 75 actuarial report dated January 30, 2024. Changes to the assumptions since the actuarial report dated November 11, 2021 are as follows:

- The discount rate was updated from 4.40% to 4.63%.
- The per capita claims cost assumption was updated to use the 2024 premium rates.
- The mortality improvement scale was updated from MP-2020 to MP-2021.
- The healthcare cost trend assumption was updated based on the 2024 Getzen model released by the SOA.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in Assumptions (Continued)

- The salary scale assumption was updated to be consistent with the latest FRS valuation assumptions.

As of September 30, 2022, all assumptions, methods, and results are based on the fiscal year 2021 GASB 75 actuarial report dated November 11, 2021. Changes to the assumptions since the actuarial report dated February 1, 2021 are as follows:

- The discount rate was updated from 2.15% to 4.40%.
- The mortality assumption was updated from Pub-2010 mortality table with generational scale MP-2019 to Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP-2020 Mortality Improvement Scale.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.63%) or 1-percentage-point higher (5.63%) then the current discount rate at September 30, 2023:

	<b>1.0% Decrease (3.63%)</b>	<b>Discount Rate (4.63%)</b>	<b>1.0% Increase (5.63%)</b>
Total OPEB Liability	\$ 666,000	\$ 644,000	\$ 619,000

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.40%) or 1-percentage-point higher (5.40%) then the current discount rate at September 30, 2022:

	<b>1.0% Decrease (3.40%)</b>	<b>Discount Rate (4.40%)</b>	<b>1.0% Increase (5.40%)</b>
Total OPEB Liability	\$ 594,000	\$ 571,000	\$ 547,000

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trends that are 1-percentage-point lower (6.50% decreasing to 3.04%) or 1-percentage-point higher (8.50% decreasing to 5.04%) then the current healthcare cost trend rates at September 30, 2023:

	<b>1.0% Decrease (6.50% decreasing to 3.04%)</b>	<b>Healthcare cost Trend Rates (7.50% decreasing to 4.04%)</b>	<b>1.0% Increase (8.50% decreasing to 5.04%)</b>
Total OPEB Liability	\$ 592,000	\$ 644,000	\$ 702,000

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates (Continued)

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trends that are 1-percentage-point lower (5.50% decreasing to 3.04%) or 1-percentage-point higher (7.50% decreasing to 5.04%) than the current healthcare cost trend rates at September 30, 2022:

	<b>1.0% Decrease (5.50% decreasing to 3.04%)</b>	<b>Healthcare cost Trend Rates (6.50% decreasing to 4.04%)</b>	<b>1.0% Increase (7.50% decreasing to 5.04%)</b>
Total OPEB Liability	\$ 520,000	\$ 571,000	\$ 629,000

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

For the year ended September 30, 2023, the Authority recognized OPEB expense of \$72,000. At September 30, 2023, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 116,000	\$ 205,000
Changes of Assumptions/Inputs	228,000	42,000
Total	\$ 344,000	\$ 247,000

For the year ended September 30, 2022, the Authority recognized OPEB expense of \$53,000. At September 30, 2022, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ 47,000	\$ 244,000
Changes of Assumptions/Inputs	244,000	49,000
Total	\$ 291,000	\$ 293,000



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

*OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB*  
(Continued)

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

Fiscal Year Ending:		
September 30, 2024	\$	15,000
September 30, 2025		15,000
September 30, 2026		15,000
September 30, 2027		15,000
September 30, 2028		14,000
Thereafter		23,000
	\$	97,000

NOTE N - FLORIDA RETIREMENT SYSTEM

General Information: All full-time employees participate in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the Florida Retirement System Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost sharing multiple-employer defined benefit pension plan, to assist retired members of any state administered retirement system in paying the costs of health insurance.

Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or calling toll free at 877-377-1737. The report is also available at the Florida Department of Management Services web site [www.dms.myflorida.com](http://www.dms.myflorida.com).

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

Significant Accounting Policies: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (FRSP) and the Florida Retirement System Health Insurance Subsidy Program and additions to/deductions from the FRSP and HIS fiduciary net position have been determined on the same basis as they are reported by FRSP and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Pension Plan***

Plan Description: The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class
- Special Risk Class
- Elected Officials Class
- Senior Management Service Class

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service. All vested members, enrolled in the plan on or after July 1, 2011, are eligible for normal retirement benefits at age 65 or any age after 33 years of service.

Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months (96 months effective July 1, 2023) after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided: Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

*Pension Plan* (Continued)

Benefits Provided (Continued)

The following table shows the percentage value for each year of service credit earned:

Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
Special Risk Class	
Service from December 1, 1970 through September 30, 1974	2.00%
Service on or after October 1, 1974	3.00%
Elected Officials Class	3.00%
Senior Management Service Class	2.00%

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent per year. If the member is initially enrolled before July 1, 2011, and has service credit on or after July 1, 2011, there is an individually calculated cost-of-living adjustment. The annual cost-of-living adjustment is a proportion of 3 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the fiscal year ended September 30, 2023 and 2022 were as follows:

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

*Pension Plan* (Continued)

Contributions (Continued)

Class	10/01/21 through 06/30/22	07/01/22 through 06/30/23	07/01/23 through 09/30/23
Regular Class	10.82%	11.91%	13.57%
Senior Management Service Class	29.01%	31.57%	34.52%
Special Risk Class	25.89%	27.83%	32.67%
DROP	18.34%	18.60%	21.13%

The employer contribution rates include a 1.66% HIS Plan subsidy for the period October 1, 2021 through July 1, 2023 and a rate of 2.00% for the period July 1, 2023 through September 30, 2023. Except for the DROP, the rates also include a 0.06% for administrative costs of the Public Employee Optional Retirement Program for the period October 1, 2021 through September 30, 2023.

For the fiscal year ended September 30, 2023, the Authority made contributions of \$3,308,685 to the Pension Plan and \$2,879,011 for the fiscal year ended September 30, 2022.

Pension Liabilities and Pension Expense: At September 30, 2023, the Authority reported a liability of \$28,370,063 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2023. The Authority's proportionate share of the net pension liability was based on the Authority's 2022-23 plan year contributions relative to the 2022-23 plan year contributions of all participating members. At June 30, 2023, the Authority's proportionate share was 0.071197784 percent, which was a decrease of 0.002602586 percent from its proportionate share measured as of June 30, 2022.

At September 30, 2022, the Authority reported a liability of \$27,459,669 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Authority's proportionate share of the net pension liability was based on the Authority's 2021-22 plan year contributions relative to the 2021-22 plan year contributions of all participating members. At June 30, 2022, the Authority's proportionate share was 0.073800370 percent, which was a decrease of 0.001220435 percent from its proportionate share measured as of June 30, 2021.

For the fiscal year ended September 30, 2023 and 2022, the Authority recognized pension expense of \$6,243,172 and \$4,363,171, respectively, related to the Plan.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

*Pension Plan* (Continued)

Deferred Outflows and Inflows of Resources Related to Pensions: The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

September 30, 2023		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,663,704	\$
Change of assumptions	1,849,396	
Net difference between projected and actual earnings on Pension Plan investments	1,184,811	
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	1,440,479	812,851
Pension Plan contributions subsequent to the measurement date	1,050,051	
Total	\$ 8,188,441	\$ 812,851

September 30, 2022		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,304,176	\$
Change of assumptions	3,381,773	
Net difference between projected and actual earnings on Pension Plan investments	1,813,158	
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	2,020,730	286,593
Pension Plan contributions subsequent to the measurement date	870,577	
Total	\$ 9,390,414	\$ 286,593

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

*Pension Plan* (Continued)

Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

The deferred outflows of resources related to the Pension Plan at September 30, 2023, totaling \$1,050,051 resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2024. The deferred outflows of resources related to the Pension Plan at September 30, 2022, totaling \$870,577 resulting from Authority contributions to the Plan subsequent to the measurement date, was recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2024	\$ 1,154,076
2025	43,223
2026	4,770,642
2027	272,713
2028	84,885
Thereafter	<u>6,325,539</u>

Actuarial Assumptions: The total pension liability in the actuarial valuation was determined using the following actuarial assumptions:

	September 30, 2023	September 30, 2022
Valuation date	July 1, 2023	July 1, 2022
Measurement date	June 30, 2023	June 30, 2022
Inflation	2.40%	2.40%
Salary increases	3.25%, average, including inflation	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation	6.70%, net of pension plan investment expense, including inflation
Mortality	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018
Actuarial cost method	Individual Entry Age	Individual Entry Age

The actuarial assumptions that determined the total pension liability as of June 30, 2023, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018. The actuarial assumptions that determined the total pension liability as of June 30, 2022, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

*Pension Plan* (Continued)

Actuarial Assumptions (Continued)

The long-term expected rate of return on investments is not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

September 30, 2023				
Description	(1) Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.9%	1.1%
Fixed Income	19.8%	4.5%	4.4%	3.4%
Global Equity	54.0%	8.7%	7.1%	18.1%
Real Estate	10.3%	7.6%	6.6%	14.8%
Private Equity	11.1%	11.9%	8.8%	26.3%
Strategic Investments	3.8%	6.3%	6.1%	7.7%
Total	100%			
Assumed Inflation - Mean			2.4%	1.4%

(1) As outlined in the Pension Plan's investment policy

September 30, 2022				
Description	(1) Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	100%			
Assumed Inflation - Mean			2.4%	1.2%

(1) As outlined in the Pension Plan's investment policy

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

***Pension Plan*** (Continued)

Discount Rate: The discount rate used to measure the total pension liability at September 30, 2023 and 2022 was 6.70% and 6.70%, respectively. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate at September 30, 2023:

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
Proportionate share of the net pension liability	<u>\$ 48,461,845</u>	<u>\$ 28,370,063</u>	<u>\$ 11,560,884</u>

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.70%) or one percentage point higher (7.70%) than the current rate at September 30, 2022:

	<u>1% Decrease (5.70%)</u>	<u>Current Discount Rate (6.70%)</u>	<u>1% Increase (7.70%)</u>
Proportionate share of the net pension liability	<u>\$ 47,489,608</u>	<u>\$ 27,459,669</u>	<u>\$ 10,712,255</u>

Pension Plan Fiduciary Net Position: Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan: At September 30, 2023, the Authority had a \$326,234 payable for outstanding contributions to the Pension Plan for the fiscal year ended September 30, 2023. At September 30, 2022, the Authority had a \$400,363 payable for outstanding contributions to the Pension Plan for the fiscal year ended September 30, 2022.



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

***Retiree Health Insurance Subsidy (HIS) Program***

Plan Description: The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided: For the fiscal year ended September 30, 2023 and 2022, eligible retirees and beneficiaries received a monthly HIS payment of \$5 (\$7.50 effective July 1, 2023) for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 (\$45 effective July 1, 2023) and a maximum HIS payment of \$150 (\$225 effective July 1, 2023) per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2023 and 2022, the HIS contribution was 1.66% (2.00% effective July 1, 2023). The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Authority's contributions to the HIS Plan totaled \$559,792 for the fiscal year ended September 30, 2023 and \$496,879 for the fiscal year ended September 30, 2022.

Pension Liabilities and Pension Expense: At September 30, 2023, the Authority reported a liability of \$12,528,882 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Authority's proportionate share of the net pension liability was based on the Authority's 2022-23 plan year contributions relative to the 2022-23 plan year contributions of all participating members. At June 30, 2023, the Authority's proportionate share was 0.078890617 percent, which was a decrease of 0.002679916 percent from its proportionate share measured as of June 30, 2022.

At September 30, 2022, the Authority reported a liability of \$8,639,622 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Authority's proportionate share of the net pension liability was based on the Authority's 2021-22 plan year contributions relative to the 2021-22 plan year contributions of all participating members. At June 30, 2022, the Authority's proportionate share was 0.081570533 percent, which was a decrease of 0.001243618 percent from its proportionate share measured as of June 30, 2021.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

*Retiree Health Insurance Subsidy (HIS) Program* (Continued)

Pension Liabilities and Pension Expense (Continued)

For the fiscal year ended September 30, 2023 and 2022, the Authority recognized pension expense of \$4,701,208 and \$549,555, respectively.

Deferred Outflows and Inflows of Resources Related to Pensions: In addition, the Authority reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

September 30, 2023		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 183,414	\$ 29,407
Change of assumptions	329,381	1,085,670
Net difference between projected and actual earnings on Pension Plan investments	6,469	
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	218,335	357,896
Pension Plan contributions subsequent to the measurement date	172,760	
Total	\$ 910,359	\$ 1,472,973

September 30, 2022		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 262,233	\$ 38,015
Change of assumptions	495,229	1,336,544
Net difference between projected and actual earnings on Pension Plan investments	12,508	
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	311,795	149,588
Pension Plan contributions subsequent to the measurement date	131,455	
Total	\$ 1,213,220	\$ 1,524,147

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
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NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

*Retiree Health Insurance Subsidy (HIS) Program* (Continued)

Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

The deferred outflows of resources related to the HIS Plan at September 30, 2023, totaling \$172,760 resulting from Authority contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ending September 30, 2024. The deferred outflows of resources related to the HIS Plan at September 30, 2022, totaling \$131,455 resulting from Authority contributions to the HIS Plan subsequent to the measurement date, was recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2024	\$ (100,465)
2025	(62,723)
2026	(121,920)
2027	(261,149)
2028	(166,172)
Thereafter	(22,945)
	<u>\$ (735,374)</u>

Actuarial Assumptions: The total pension liability in the actuarial valuation was determined using the following actuarial assumptions:

	September 30, 2023	September 30, 2022
Valuation date	July 1, 2022	July 1, 2022
Measurement date	June 30, 2023	June 30, 2022
Inflation	2.40%	2.40%
Salary increases	3.25%, average, including inflation	3.25%, average, including inflation
Municipal bond rate	3.65%	3.54%
Long-term expected rate of return	N/A	N/A
Mortality	Generational PUB-2010 with Projection Scale MP-2018	Generational PUB-2010 with Projection Scale MP-2018
Actuarial cost method	Individual Entry Age	Individual Entry Age

The actuarial assumptions that determined the total pension liability as of June 30, 2023, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018. The actuarial assumptions that determined the total pension liability as of June 30, 2022, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

***Retiree Health Insurance Subsidy (HIS) Program*** (Continued)

Discount Rate: The discount rate used to measure the total pension liability at September 30, 2023 and 2022 was 3.65% and 3.54%, respectively. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 3.65%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.65%) or one percentage point higher (4.65%) than the current rate at September 30, 2023:

	<u>1% Decrease (2.65%)</u>	<u>Current Discount Rate (3.65%)</u>	<u>1% Increase (4.65%)</u>
Proportionate share of the net pension liability	<u>\$ 14,293,499</u>	<u>\$ 12,528,882</u>	<u>\$ 11,066,133</u>

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 3.54%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.54%) or one percentage point higher (4.54%) than the current rate at September 30, 2022:

	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Proportionate share of the net pension liability	<u>\$ 9,884,437</u>	<u>\$ 8,639,622</u>	<u>\$ 7,609,564</u>

Pension Plan Fiduciary Net Position: Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report.

Payables to the Pension Plan: At September 30, 2023, the Authority had \$49,297 payable for outstanding contributions to the HIS Plan for the fiscal year ended September 30, 2023. At September 30, 2022, the Authority had \$55,686 payable for outstanding contributions to the HIS Plan for the fiscal year ended September 30, 2022.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

***Summary Data***

The following table provides a summary of significant information related to the Florida Retirement System defined benefit plans for the year ended September 30, 2023.

Description	Pension Plan	HIS Plan	Total
Proportionate share of total pension liability	\$ 161,052,378	\$ 13,066,770	\$ 174,119,148
Proportionate share of plan fiduciary net position	132,682,315	537,888	133,220,203
Proportionate share of net pension liability	28,370,063	12,528,882	40,898,945
Proportionate share of deferred outflows of resources	8,188,441	910,359	9,098,800
Proportionate share of deferred inflows of resources	812,851	1,472,973	2,285,824
Pension expense	6,243,172	4,701,208	10,944,380

The following table provides a summary of significant information related to the Florida Retirement System defined benefit plans for the year ended September 30, 2022.

Description	Pension Plan	HIS Plan	Total
Proportionate share of total pension liability	\$ 160,467,422	\$ 9,076,325	\$ 169,543,747
Proportionate share of plan fiduciary net position	133,007,753	436,703	133,444,456
Proportionate share of net pension liability	27,459,669	8,639,622	36,099,291
Proportionate share of deferred outflows of resources	9,390,414	1,213,220	10,603,634
Proportionate share of deferred inflows of resources	286,593	1,524,147	1,810,740
Pension expense	4,363,171	549,555	4,912,726

***Investment Plan***

**Plan Description**

The Florida Retirement System Investment Plan is a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code. The Florida Legislature enacted the Plan during the 2000 legislative session, and amendments to the Plan can only be made by an act of the Florida Legislature. The Plan is administered by the State Board of Administration of Florida. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Authority employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

***Investment Plan*** (Continued)

*Funding Policy*

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officers, etc.), as the defined benefit Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06 percent, for the period October 1, 2021 through September 30, 2023, of payroll and by forfeited benefits of plan members.

Participating employers are required to make contributions based upon statewide contributions rates. The contribution rates by job class for the Authority's employees for the fiscal year ended September 30, 2023 and 2022, are as follows:

Class	10/01/21 through 06/30/22	07/01/22 through 06/30/23	07/01/23 through 09/30/23
Regular Class	10.82%	11.91%	13.57%
Senior Management Service Class	29.01%	31.57%	34.52%
Special Risk Class	25.89%	27.83%	32.67%
DROP	18.34%	18.60%	21.13%

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the Pension Plan is transferred to the Investment Plan, the member must have the years of service required for Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Nonvested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. For the fiscal year ended September 30, 2023 and 2022, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Authority.

After termination and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided; the member may either transfer the account balance to the Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

For the fiscal years ended September 30, 2023 and 2022, the Authority's Investment Plan pension expense totaled \$698,100 and \$532,724, respectively.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE O - MAJOR CUSTOMERS

Waste Management of Palm Beach accounted for 14.1% and 9.3% of 2023 and 2022 tipping fee revenues, respectively. Waste Pro of Florida accounted for 7.8% and 8.2% of 2023 and 2022 tipping fee revenues, respectively.

NOTE P - COMMITMENTS AND CONTINGENCIES

Environmental Liabilities: The Authority, in cooperation with other state and local regulatory agencies, maintains an extensive monitoring program for potential environmental contaminants at each of its sites and facilities. These monitoring programs have not identified any contaminants caused by landfill leachate or other operations of the Authority. In the event that any environmental contaminants are identified, the Authority may be financially responsible for the environmental assessment and cleanup costs, as well as potential fines imposed by governmental regulatory agencies.

Litigation, Claims and Assessments: The Authority is involved in various legal matters occurring in the normal course of operations. While the ultimate outcome of these matters cannot be determined at this time, it is the opinion of the Authority's management, in consultation with legal counsel, that no material losses in excess of recorded amounts or insured limits are expected to result from the settlement of any claims.

Contract Commitments: The Authority had outstanding purchase commitments for various equipment, goods and services totaling approximately \$15.6 million at September 30, 2023.

Interlocal Agreement: The Authority entered into an interlocal agreement with Palm Beach County to provide funding for a hazardous materials emergency response team to provide regional hazardous materials investigation and mitigation services through the fiscal year ending September 30, 2022 and entered into a new agreement with Palm Beach County to provide funding for a hazardous materials emergency response team to provide regional hazardous materials investigation and mitigation services through the fiscal year ending September 30, 2032.

The Authority paid \$2,528,561 and \$2,454,914 for 2023 and 2022, respectively. The Authority is required to pay \$2,604,418 under the new agreement for the fiscal year ending September 30, 2024. The amount due each year can increase up to 3% per year.

NOTE Q - LEASES

Effective October 1, 2021, the Authority implemented Governmental Accounting Standards Board Statement 87 (GASB 87), *Leases*. Restatement for the implementation of GASB 87 as of October 1, 2021 were deemed immaterial.

***Right to Use Lease***

Canon Solutions America: The Authority has entered into multiple lease agreements with Canon Solutions America to lease various equipment. The lease agreements have an initial term from 36 to 60 months paid monthly with a starting date ranging from December 2018 to January 2021. The discount rate was 4% using the Authority's estimated incremental borrowing rate.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE Q - LEASES (Continued)

***Right to Use Lease*** (Continued)

City of Delray Beach: The Authority has entered into a lease agreement with the City of Delray Beach to lease the Delray Beach transfer station. The initial term of the lease was for a 20-year period commencing on October 1, 2000 and was extended for an additional 20 years starting October 1, 2020 under the existing terms of the original lease. The discount rate was 4% using the Authority's estimated incremental borrowing rate. Per the agreement, annual lease payments may be adjusted due to the change in the Consumer Price Index (CPI). For the year ending September 30, 2022, the CPI adjustment of \$8,243 was not included in the initial measurement of the lease. For the year ending September 30, 2023, the CPI adjustment of \$21,462 was not included in the initial measurement of the lease.

Scripps Media, Inc.: The Authority has entered into a lease agreement with Scripps Media, Inc. to lease space on a transmission tower. The initial term of the lease was for a 3-year period commencing on July 1, 2014 with the option to extend for nine (9) additional years in three (3) year increments. The discount rate was 4% using the Authority's estimated incremental borrowing rate. Per the agreement, monthly lease payments are increased 3% on each anniversary date.

The Authority's consolidated annual lease requirements to term as of September 30, 2023 are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 115,277	\$ 75,988	\$ 191,265
2025	97,067	72,105	169,172
2026	97,166	68,216	165,382
2027	88,310	64,614	152,924
2028	91,842	61,082	152,924
2029-2033	517,345	247,275	764,620
2034-2038	629,429	135,191	764,620
2039-2040	288,430	17,419	305,849
	<u>\$ 1,924,866</u>	<u>\$ 741,890</u>	<u>\$ 2,666,756</u>

***Lessor Lease***

Stofin Co., Inc.: The Authority has entered into a lease agreement with Stofin Co., Inc. which allows the use of the Authority's property for agricultural purposes. The initial term of the lease was for a 10-year period commencing on December 16, 1996 with the option to extend for six (6) additional terms in four (4) year increments. The discount rate was 3% using the implicit rate of the lease. Per the agreement, annual lease payments may be adjusted due to the change in the Producer Price Index (PPI) for raw cane sugar. For the year ending September 30, 2022, the PPI adjustment was included in the initial measurement of the lease. For the year ending September 30, 2023, the PPI adjustment of \$11,871 was not included in the initial measurement of the lease.



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2023 and 2022**

NOTE Q - LEASES (Continued)

*Lessor Lease* (Continued)

D.S. Eakins Construction: The Authority has entered into a lease agreement with D.S. Eakins Construction which allows the use of the Authority’s land for a transmission tower site. The initial term of the lease was for a 10-year period commencing on December 10, 2018 with the option to extend for two (2) successive terms in five (5) year increments. The discount rate was 3% using the implicit rate of the lease. Per the agreement, annual lease payments may be adjusted due to the change in the Consumer Price Index (CPI) for all Urban Consumers All Items. For the year ending September 30, 2022, the CPI adjustment of \$5,906 was not included in the initial measurement of the lease. For the year ending September 30, 2023, the CPI adjustment of \$21,372 was not included in the initial measurement of the lease.

Vertical Bridge CC FM, LLC: The Authority has entered into a lease agreement with D.S. Eakins Construction which allows the use of the Authority’s land for storage purposes. The initial term of the lease was for a 5-year period commencing on January 18, 2016 with three (3) automatic renewal periods of five (5) years each. The discount rate was 3% using the implicit rate of the lease. Per the agreement, annual lease payments are increased 3% on each anniversary date.

For the year ending September 30, 2022, the Authority recognized \$365,317 in lease revenue and \$121,851 in interest revenue related to leases. For the year ending September 30, 2023, the Authority recognized \$365,317 in lease revenue and \$112,445 in interest revenue related to leases.

The Authority’s consolidated annual lease requirements to term as of September 30, 2023 are as follows:

Year Ending September 30,	Principal	Interest	Total
2024	\$ 324,295	\$ 112,445	\$ 436,740
2025	335,392	102,716	438,108
2026	346,863	92,654	439,517
2027	358,720	82,248	440,968
2028	370,977	71,486	442,463
2029-2033	1,267,076	205,829	1,472,905
2034-2038	744,827	62,842	807,669
	<u>\$ 3,748,150</u>	<u>\$ 730,220</u>	<u>\$ 4,478,370</u>

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**

Last Ten Fiscal Years

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
<b>Total OPEB liability</b>						
Service cost	\$ 21,000	\$ 22,000	\$ 28,000	\$ 30,000	\$ 42,000	\$ 33,000
Interest cost	30,000	28,000	18,000	17,000	13,000	24,000
Difference between expected & actual experience	-	-	(206,000)	-	(87,000)	89,000
Changes of assumptions and other inputs	(11,000)	26,000	336,000	1,000	(49,000)	25,000
Benefit payments	(79,000)	(96,000)	(93,000)	(63,000)	(103,000)	(98,000)
<b>Net change in total OPEB liability</b>	(39,000)	(20,000)	83,000	(15,000)	(184,000)	73,000
<b>Total OPEB liability, beginning of year</b>	<u>746,000</u>	<u>707,000</u>	<u>687,000</u>	<u>770,000</u>	<u>755,000</u>	<u>571,000</u>
<b>Total OPEB liability, end of year</b>	<u>\$ 707,000</u>	<u>\$ 687,000</u>	<u>\$ 770,000</u>	<u>\$ 755,000</u>	<u>\$ 571,000</u>	<u>\$ 644,000</u>
<b>Covered-employee payroll</b>	\$ 23,959,000	\$ 25,841,000	\$ 26,199,000	\$ 27,218,216	\$ 27,904,563	\$ 29,171,140
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	2.95%	2.66%	2.94%	2.77%	2.05%	2.21%

**Notes to schedule:**

This schedule is intended to present data for 10 years. For years prior to 2018, data is unavailable. additional years will be presented as they become available.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

*Changes of assumptions* - For the September 30, 2023 valuation, all assumptions, methods, and results are based on the fiscal year 2023 GASB75 actuarial report dated January 30, 2024. Changes to the assumptions since the last actuarial valuation include the discount rate was increased from 4.40% to 4.63%; per capita claims cost assumption was updated to use the 2024 premium rates; mortality improvement scale was updated from MP-2020 to MP-2021; and healthcare cost trend assumption was updated based on the 2024 Getzen model released by the SOA. For the September 30, 2022 valuation, all assumptions, methods, and results are based on the fiscal year 2021 GASB75 actuarial report dated November 11, 2021. Changes to the assumptions since the last actuarial valuation include the discount rate was increased from 2.15% to 4.40% in fiscal year 2022 and mortality assumption was updated from Pub-2010 mortality table with generational scale MP-2019 to Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP-2020 Mortality Improvement Scale. For the September 30, 2021 and 2020 valuation, all assumptions, methods, and results are based on the fiscal year 2020 GASB75 actuarial report dated February 1, 2021. Changes to the assumptions since the last actuarial valuation include the discount rate was decreased from 2.66% to 2.21% in fiscal year 2020 and decreased from 2.21% to 2.15% in fiscal year 2021; mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to Pub-2010 mortality table with generational scale MP-2019; plan participation rate for Medicare-eligible retirees was reduced from 5% to 1%; Excise Tax (ACA Cadillac Tax) on high cost employer sponsored health plans was relaxed by a bill in December 2019; there were significant changes to the retirement and termination assumptions based on the 2020 FRS actuarial valuation. For the September 30, 2019 and 2018 valuations, all assumptions, methods, and results are based on the fiscal year 2018 GASB75 actuarial report dated November 13, 2018. There were no significant changes to the assumptions since the report dated November 13, 2018 except the discount rate which decreased from 4.18% to 2.66% in fiscal year 2019.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM - PENSION PLAN**

**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required FRS contribution	\$ 1,332,111	\$ 1,426,153	\$ 1,429,340	\$ 1,570,296	\$ 1,717,280
FRS contributions in relation to the contractually required contribution	<u>(1,332,111)</u>	<u>(1,426,153)</u>	<u>(1,429,340)</u>	<u>(1,570,296)</u>	<u>(1,717,280)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 19,772,903	\$ 20,091,083	\$ 21,051,861	\$ 22,024,734	\$ 22,823,877
FRS contributions as a percentage of covered payroll	6.74%	7.10%	6.79%	7.13%	7.52%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required FRS contribution	\$ 1,903,110	\$ 2,186,868	\$ 2,788,809	\$ 2,879,011	\$ 3,308,685
FRS contributions in relation to the contractually required contribution	<u>(1,903,110)</u>	<u>(2,186,868)</u>	<u>(2,788,809)</u>	<u>(2,879,011)</u>	<u>(3,308,685)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 23,834,076	\$ 24,883,857	\$ 26,432,730	\$ 25,238,228	\$ 26,272,136
FRS contributions as a percentage of covered payroll	7.98%	8.79%	10.55%	11.41%	12.59%

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTINATE SHARE OF NET PENSION LIABILITY  
FLORIDA RETIREMENT SYSTEM - PENSION PLAN**

**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Proportion of the FRS net pension liability	0.0630379%	0.0626365%	0.0648132%	0.0635171%	0.0636583%
Proportionate share of the FRS net pension liability	\$ 3,848,240	\$ 8,090,343	\$ 16,365,396	\$ 18,787,926	\$ 19,174,210
Authority's covered payroll	\$ 19,815,911	\$ 19,555,196	\$ 21,647,567	\$ 21,795,240	\$ 22,671,421
Authority's proportionate share of the FRS net pension liability as a percentage of covered payroll	19.42%	41.37%	75.60%	86.20%	84.57%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.09%	92.00%	84.88%	83.89%	84.26%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Proportion of the FRS net pension liability	0.0644148%	0.0669098%	0.0750208%	0.0738004%	0.0711978%
Proportionate share of the FRS net pension liability	\$ 22,183,563	\$ 28,999,693	\$ 5,666,969	\$ 27,459,669	\$ 28,370,063
Authority's covered payroll	\$ 23,546,088	\$ 24,654,558	\$ 25,444,717	\$ 25,385,048	\$ 25,786,960
Authority's proportionate share of the FRS net pension liability as a percentage of covered payroll	94.21%	117.62%	22.27%	108.17%	110.02%
FRS Plan fiduciary net position as a percentage of the total pension liability	82.61%	78.85%	96.40%	82.89%	82.38%

The amounts presented for each fiscal year were determined as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Annual Comprehensive Financial Report. The discount rate decreased from 7.65% in 2015 to 7.60% in 2016; 7.10% in 2017; 7.00% in 2018; 6.90% in 2019; 6.80% in 2020; remained 6.80% in 2021; decreased to 6.70% in 2022; remained 6.70% in 2023. The mortality assumption was changed from Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018 in 2019.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM  
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM**

**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Contractually required HIS contribution	\$ 257,664	\$ 310,975	\$ 396,210	\$ 415,575	\$ 427,278
HIS contributions in relation to the contractually required contribution	<u>(257,664)</u>	<u>(310,975)</u>	<u>(396,210)</u>	<u>(415,575)</u>	<u>(427,278)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 22,185,466	\$ 22,716,328	\$ 23,868,058	\$ 25,034,650	\$ 25,739,685
HIS contributions as a percentage of covered payroll	1.16%	1.37%	1.66%	1.66%	1.66%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Contractually required HIS contribution	\$ 448,920	\$ 474,046	\$ 505,610	\$ 496,879	\$ 559,792
HIS contributions in relation to the contractually required contribution	<u>(448,920)</u>	<u>(474,046)</u>	<u>(505,610)</u>	<u>(496,879)</u>	<u>(559,792)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 27,043,385	\$ 28,556,970	\$ 30,458,468	\$ 29,932,457	\$ 31,952,658
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.66%	1.75%

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTINATE SHARE OF NET PENSION LIABILITY  
FLORIDA RETIREMENT SYSTEM  
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM**

**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Proportion of the HIS net pension liability	0.0745754%	0.0739556%	0.0795028%	0.0776703%	0.0784037%
Proportionate share of the HIS net pension liability	\$ 6,972,985	\$ 7,542,309	\$ 9,265,726	\$ 8,304,865	\$ 8,298,340
Authority's covered payroll	\$ 22,152,039	\$ 22,436,802	\$ 24,543,064	\$ 24,772,565	\$ 25,608,028
Authority's proportionate share of the HIS net pension liability as a percentage of it covered payroll	31.48%	33.62%	37.75%	33.52%	32.41%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.99%	0.50%	0.97%	1.64%	2.15%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Proportion of the HIS net pension liability	0.0797253%	0.0813023%	0.0828142%	0.0815705%	0.0788906%
Proportionate share of the HIS net pension liability	\$ 8,920,460	\$ 9,926,884	\$ 10,158,401	\$ 8,639,622	\$ 12,528,882
Authority's covered payroll	\$ 26,663,556	\$ 28,213,241	\$ 29,322,513	\$ 29,750,795	\$ 31,258,955
Authority's proportionate share of the HIS net pension liability as a percentage of it covered payroll	33.46%	35.19%	34.64%	29.04%	40.08%
HIS Plan fiduciary net position as a percentage of the total pension liability	2.63%	3.00%	3.56%	4.81%	4.12%

The amounts presented for each fiscal year were determined as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Annual Comprehensive Financial Report. The discount rate decreased from 3.80% in 2015 to 2.85% in 2016; increased to 3.58% in 2017; 3.87% in 2018; decreased to 3.50% in 2019; decreased to 2.21% in 2020; decreased to 2.16% in 2021; increased to 3.54% in 2022; increase to 3.65% in 2023. The inflation rate decreased from 2.60% in prior actuarial valuations to 2.40% in 2020. Mortality assumption was updated from General RP-2000 with projected scale BB in prior actuarial valuations to Generational PUB-2010 with Projection Scale MP-2018 in 2020.

# **STATISTICAL SECTION**



# STATISTICAL SECTION

This part of the Solid Waste Authority’s annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Solid Waste Authority’s overall financial health.

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Financial Trends.....	72
<i>These schedules contain trend information to help the reader understand how the Solid Waste Authority’s financial performance and well-being have changed over time.</i>	
Revenue Capacity .....	75
<i>These schedules contain information to help the reader assess the Solid Waste Authority’s most significant local revenue sources, the annual collection and disposal assessments and tipping fees.</i>	
Debt Capacity.....	85
<i>These schedules present information to help the reader assess the affordability of the Solid Waste Authority’s current levels of outstanding debt and the Solid Waste Authority’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information.....	88
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Solid Waste Authority’s financial activities take place.</i>	
Operating Information .....	90
<i>These schedules contain service and facilities data to help the reader understand how the information in the Solid Waste Authority’s financial report relates to the services the Solid Waste Authority provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**NET POSITION BY COMPONENT**

**Last Ten Fiscal Years**

<u>Year Ended September 30</u>	<u>Net Investment in Capital Assets</u>	<u>Restricted Net Position - Expendable</u>			<u>Unrestricted Net Position</u>	<u>Total Net Position</u>
		<u>Debt Service</u>	<u>Capital Improvements</u>	<u>Operating Reserve</u>		
2014	446,212,545	17,852,714	18,345,492	19,966,967	86,971,439	589,349,157
2015	463,171,079	12,162,299	12,324,469	24,179,761	104,437,282	616,274,890
2016	480,857,890	12,274,087	19,344,450	24,926,349	71,699,479	609,102,255
2017	429,531,556	38,772,900	11,570,557	24,907,431	100,325,374	605,107,818
2018	414,221,581	40,526,411	17,208,544	25,410,613	109,667,080	607,034,229
2019	432,584,867	40,074,547	23,215,688	25,781,356	116,984,840	638,641,298
2020	443,189,474	41,915,428	29,547,936	26,881,625	103,254,989	644,789,452
2021	432,585,695	20,101,361	43,370,806	29,212,231	139,900,840	665,170,933
2022	414,293,641	48,124,942	57,524,186	29,436,977	145,028,399	694,408,145
2023	433,375,480	26,000,533	65,325,749	34,063,054	179,260,801	738,025,617

Source: Authority financial records.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**CHANGES IN NET POSITION**

**Last Ten Fiscal Years**

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Operating revenues</b>				
Assessments	\$195,603,597	\$196,645,513	\$191,653,425	\$191,553,915
Tipping fees	31,421,699	35,222,136	40,066,074	42,246,994
Electric generation	21,281,583	25,606,784	37,548,144	37,960,547
Recycling income	10,806,910	9,767,381	8,419,940	11,080,401
Franchise fees	1,344,554	1,281,758	1,253,400	1,259,435
Compost fees	831,334	-	-	-
Other revenues	792,942	497,155	314,198	284,450
	<u>262,082,619</u>	<u>269,020,727</u>	<u>279,255,181</u>	<u>284,385,742</u>
<b>Operating expenses</b>				
Franchise hauler contract payments	34,027,279	33,701,772	33,307,461	34,151,678
Contract payments to plant operators	45,557,698	57,174,102	63,709,248	65,678,893
Personal services	33,620,291	33,630,134	37,868,445	40,543,773
Depreciation and amortization	37,525,164	42,154,314	67,469,826	70,849,791
Landsite expenses	9,633,377	4,091,016	3,769,780	5,895,936
Contractual services	15,348,190	13,377,465	11,880,816	17,041,246
Repairs and maintenance	4,590,294	4,458,768	4,275,953	4,063,044
Other expenses	16,078,977	15,724,400	16,332,680	16,817,239
	<u>196,381,270</u>	<u>204,311,971</u>	<u>238,614,209</u>	<u>255,041,600</u>
<b>OPERATING INCOME</b>	65,701,349	64,708,756	40,640,972	29,344,142
<b>Nonoperating revenues (expenses)</b>				
Grant income	-	-	-	1,341,298
Investment income	775,604	897,341	1,384,183	2,745,310
Miscellaneous income	1,365,184	426,400	443,109	511,444
Gain (loss) on disposal of capital assets	1,996,256	803,786	2,134,952	802,976
Loss on extinguishment of debt	(1,194,907)	(1,107,616)	(8,683,762)	-
Interest expense	(22,625,551)	(23,411,800)	(43,092,089)	(38,739,607)
Other expense	-	-	-	-
	<u>(19,683,414)</u>	<u>(22,391,889)</u>	<u>(47,813,607)</u>	<u>(33,338,579)</u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	46,017,935	42,316,867	(7,172,635)	(3,994,437)
Capital contributions	657,103	-	-	-
<b>INCREASE (DECREASE) IN NET POSITION</b>	<u>\$46,675,038</u>	<u>\$42,316,867</u>	<u>(\$7,172,635)</u>	<u>(\$3,994,437)</u>

Source: Authority financial records.

**Fiscal Years Ended September 30,**

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
\$197,454,060	\$203,681,416	\$209,959,356	\$207,815,611	\$214,321,185	\$230,073,663
42,952,820	47,194,333	49,009,905	54,113,666	57,158,116	62,587,114
39,538,930	43,621,461	40,393,171	48,401,495	55,317,955	49,154,125
8,720,428	8,131,321	8,609,874	16,093,160	18,461,053	11,105,521
1,338,711	1,490,997	1,904,940	1,839,638	2,206,670	2,171,151
-	-	-	-	-	-
2,348,557	286,308	52,789	31,454	258,781	4,780
292,353,506	304,405,836	309,930,035	328,295,024	347,723,760	355,096,354
34,843,659	42,101,202	48,063,110	48,988,776	52,647,615	56,604,609
67,781,566	71,167,005	72,970,449	77,303,254	83,138,699	85,653,131
40,551,925	45,766,109	48,587,908	43,496,162	47,389,897	56,860,117
65,735,367	66,532,810	62,681,112	62,083,943	65,669,216	61,697,591
7,427,393	5,604,347	4,833,151	6,185,428	15,841,218	10,492,649
45,900,272	13,265,101	15,039,740	16,575,657	16,774,027	21,737,732
4,607,034	4,267,797	4,945,588	4,902,838	4,655,109	5,426,200
16,843,399	17,992,510	17,348,790	19,541,642	22,357,517	24,167,888
283,690,615	266,696,881	274,469,848	279,077,700	308,473,298	322,639,917
8,662,891	37,708,955	35,460,187	49,217,324	39,250,462	32,456,437
19,584,021	17,003,773	8,497	-	-	280,313
6,230,702	14,501,402	12,200,067	8,889,084	3,163,737	20,867,615
342,576	580,754	468,028	423,281	614,381	569,613
1,422,402	927,182	1,001,471	1,278,760	(932,935)	1,593,948
-	(320,070)	(535,173)	-	-	-
(34,256,745)	(39,619,843)	(42,454,923)	(39,280,227)	(12,858,433)	(12,150,454)
-	-	-	(197,916)	-	-
(6,677,044)	(6,926,802)	(29,312,033)	(28,887,018)	(10,013,250)	11,161,035
1,985,847	30,782,153	6,148,154	20,330,306	29,237,212	43,617,472
300,564	824,916	-	51,175	-	-
<u>\$2,286,411</u>	<u>\$31,607,069</u>	<u>\$6,148,154</u>	<u>\$20,381,481</u>	<u>\$29,237,212</u>	<u>\$43,617,472</u>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**DISPOSAL ASSESSMENT RATES**

**Last Ten Fiscal Years**

<u>Year Ended September 30</u>	<u>Residential Assessment (per unit)</u>		
	<u>Single Family</u>	<u>Multi- Family</u>	<u>Mobile Home</u>
2014	\$ 174.00	\$ 100.00	\$ 167.00
2015	175.00	100.00	168.00
2016	170.00	97.00	163.00
2017	170.00	97.00	163.00
2018	172.00	98.00	165.00
2019	175.00	98.00	167.00
2020	175.00	97.00	166.00
2021	173.00	95.00	164.00
2022	178.00	96.00	168.00
2023	184.00	100.00	174.00

Source: Authority financial records.

Note: The Authority levies residential assessments on a per unit basis for all of Palm Beach County. No other governments apply rates to this revenue base and, accordingly, no overlapping government rates apply.

Commercial Assessment (per square foot)

<u>Low Generator</u>	<u>Medium Generator</u>	<u>High Generator</u>	<u>Non- Generator</u>	<u>Agriculture (per year)</u>
\$ 0.081	\$ 0.214	\$ 1.147	\$ 0.011	\$ 400.00
0.081	0.214	1.147	0.011	400.00
0.075	0.198	1.068	0.011	400.00
0.074	0.196	1.038	0.011	400.00
0.075	0.202	1.095	0.011	400.00
0.075	0.197	1.068	0.011	400.00
0.075	0.197	1.068	0.011	400.00
0.073	0.190	1.042	0.011	400.00
0.075	0.195	1.060	0.011	400.00
0.079	0.205	1.122	0.011	400.00

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**CURBSIDE COLLECTION ASSESSMENT RATES**

**Last Ten Fiscal Years**

Year Ended September 30	Collection Assessment District					
	1	2	3	4	5	6
2014	\$ 165	\$ 176	\$ 139	\$ 143	\$ 206	N/A
2015	166	178	141	145	209	N/A
2016	169	181	143	146	212	N/A
2017	170	182	144	148	214	N/A
2018	170	182	144	148	214	N/A
2019	210	207	169	169	317	N/A
2020	244	307	170	172	334	238
2021	244	302	170	172	334	238
2022	252	315	175	177	344	245
2023	282	355	194	196	371	274

Source: Authority financial records.

In 2014, the unincorporated area of the County was reduced to five districts.  
In 2020, the unincorporated area of the County was increased to six districts.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**CONTAINER COLLECTION ASSESSMENT RATES**

**Last Ten Fiscal Years**

Year Ended September 30	Collection Assessment District					
	1	2	3	4	5	6
2014	\$ 88	\$ 93	\$ 84	\$ 84	\$ 177	N/A
2015	88	84	84	85	179	N/A
2016	90	95	86	86	182	N/A
2017	90	96	86	87	183	N/A
2018	90	96	86	87	183	N/A
2019	111	108	84	99	242	N/A
2020	128	107	83	82	255	106
2021	128	106	83	82	255	106
2022	132	110	86	85	264	110
2023	149	125	97	96	284	124

Source: Authority financial records.

In 2014, the unincorporated area of the County was reduced to five districts.  
In 2020, the unincorporated area of the County was increased to six districts.



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**DISPOSAL AND COLLECTION ASSESSMENT LEVIES AND COLLECTIONS**

**Last Ten Fiscal Years**

<u>Year Ended September 30</u>	<u>Assessments Levied</u>	<u>Current Assessment Collections</u>	<u>Percent of Assessment Collected</u>	<u>Delinquent Assessment Collections</u>	<u>Total Assessment Collections</u>	<u>Collections as a Percent of Current Assessments Levied</u>
2014	\$ 194,832,531	\$ 194,959,058	100.06	\$ 644,539	\$ 195,603,597	100.40 %
2015	197,457,965	195,931,742	99.23	713,771	196,645,513	99.59
2016	190,348,292	190,875,597	100.28	777,828	191,653,425	100.69
2017	190,199,168	191,300,962	100.58	252,952	191,553,914	100.71
2018	196,125,469	196,590,160	100.24	863,900	197,454,060	100.68
2019	202,428,643	203,186,247	100.37	495,169	203,681,416	100.62
2020	208,386,983	209,577,748	100.57	381,609	209,959,357	100.75
2021	207,952,526	207,557,994	99.81	257,617	207,815,611	99.93
2022	213,274,130	214,168,269	100.42	152,916	214,321,185	100.49
2023	228,060,869	229,902,202	100.81	171,461	230,073,663	100.88

Source: Authority financial records.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**TEN LARGEST ASSESSMENT PAYERS**

**Current Year and Nine Years Ago**

Customer Name	2023			2014		
	Assessment	Rank	Percentage	Assessment	Rank	Percentage
	Paid		of Total	Paid		of Total
			Assessment			Assessment
			Revenue			Revenue
G&I BRIC Fee Owner LLC/ Boca T Rex Borrower LLC	\$ 366,295	1	0.16 %	\$ 421,027	1	0.22 %
Costco Wholesale Corp	263,539	2	0.11			
Panthers BRHC, LTD./ Boca Owner LLC	260,058	3	0.11	284,522	2	0.15
Town Center at Boca Raton	238,083	4	0.10	244,065	3	0.12
United Aircraft Corp/ Raytheon Technologies Corp	213,343	5	0.09	192,260	6	0.10
AZ Palm Beach FL	205,096	6	0.09			
Garden Venture LLC	188,172	7	0.08	191,897	7	0.10
Land Resources Investment	184,962	8	0.08	192,674	5	0.10
TJ Palm Beach Assoc. LTD./ TM Wellington Green Mall LP	179,037	9	0.08	197,927	4	0.10
JFK Medical Center Limited Partnership	168,951	10	0.07			
Downtown at the Gardens Assoc.				182,068	8	0.09
Breakers Palm Beach, Inc.				169,860	9	0.09
GLL Real Estate Partners/ Gll US Retail LP				169,660	10	0.09
	<u>\$ 2,267,536</u>		<u>0.97 %</u>	<u>\$ 2,245,960</u>		<u>1.16 %</u>

Source: Authority financial records.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**TIPPING FEE RATES**

**Last Ten Fiscal Years**

Type of Waste (1)	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Garbage and trash										
Commercial	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42
Out-of-County	153	153	143	137	141	136	138	137	137	142
Building / land clearing	45	45	45	45	48	52	52	55	60	60
Construction debris recycling residue	21	21	25	25	25	25	25	25	25	25
Restricted use fill	4	4	4	4	4	4	4	4	4	4
Tires:										
Whole passenger	190	190	35	35	35	35	55	75	100	100
Whole truck	190	190	190	190	190	190	190	190	190	190
Shredded	25	25	10	10	10	10	10	10	10	10
Special waste - class A	65	65	65	65	65	65	65	65	65	65
Special waste - class B	150	150	150	150	150	150	150	150	150	150
Livestock waste	30	15	15	15	15	15	15	15	25	25
Vegetation	-	25	25	25	25	30	30	32	35	35
White goods	10	10	10	10	10	10	10	10	10	10
Dewatered sludge	100	100	100	100	100	100	100	100	100	100
Dewatered sludge - ECR	-	-	-	-	-	-	-	-	-	-
Trailer (mobile homes or recreational vehicles)	90	90	90	90	90	90	90	90	90	90
Whole animals	30	30	30	30	30	30	30	30	30	30
Minimum charge (per visit)	2	2	2	2	4	4	4	10	10	10

Source: Authority financial records.

(1) Rates are per ton unless otherwise indicated.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**WASTE DISPOSAL AND RECYCLING VOLUME**

**Last Ten Fiscal Years**

Year Ended September 30	Garbage (Tons)	Trash & Other Waste (Tons)	Total (Tons)	Annual Percentage Increase (Decrease)	Recycled Materials (Tons)	Annual Percentage Increase (Decrease)	Tipping Fee Rates	
							Garbage and Trash (per Ton)	Other Waste (1) (per Ton)
2014	957,482	866,073	1,823,555	6.1 %	102,413	(3.7) %	\$ 42.00	\$ 45.00
2015	(2) 976,746	843,650	1,820,396	(0.2)	98,128	(4.2)	42.00	45.00
2016	(2) 1,019,211	977,180	1,996,391	9.7	93,569	(4.6)	42.00	45.00
2017	(2) 1,034,513	965,533	2,000,046	0.2	90,278	(3.5)	42.00	45.00
2018	(2) 1,052,361	959,343	2,011,704	0.6	92,345	2.3	42.00	48.00
2019	(2) 1,054,016	1,035,887	2,089,903	3.9	98,359	6.5	42.00	52.00
2020	(2) 1,054,708	1,094,280	2,148,988	2.8	111,093	12.9	42.00	52.00
2021	(2) 1,100,871	1,087,607	2,188,478	1.8	110,054	(0.9)	42.00	55.00
2022	(2) 1,109,309	1,105,556	2,214,866	1.2	105,429	(4.2)	42.00	60.00
2023	(2) 1,133,848	1,128,818	2,262,666	2.2	102,552	(2.7)	42.00	60.00

Source: Authority financial records.

(1) Rate is for building and land clearing debris.

(2) The Authority began receiving supplemental waste from outside the county pursuant to a contract designed to leverage the available capacity at REF #2.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**TEN LARGEST TIPPING FEE CUSTOMERS**

**Current Year and Nine Years Ago**

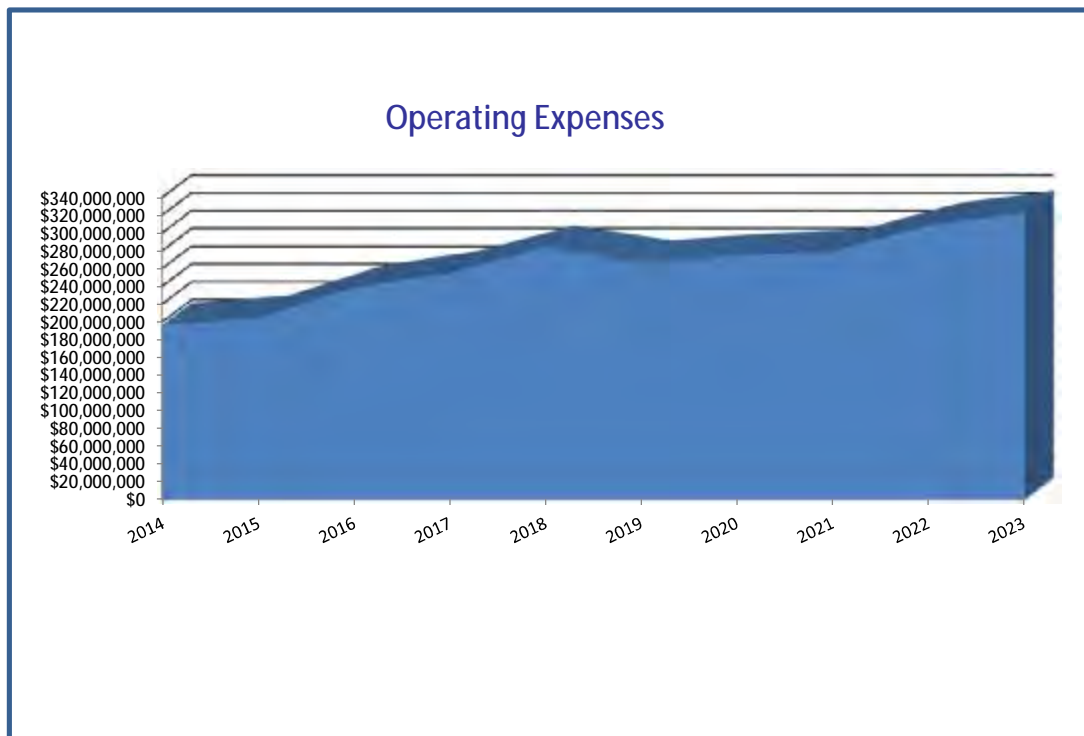
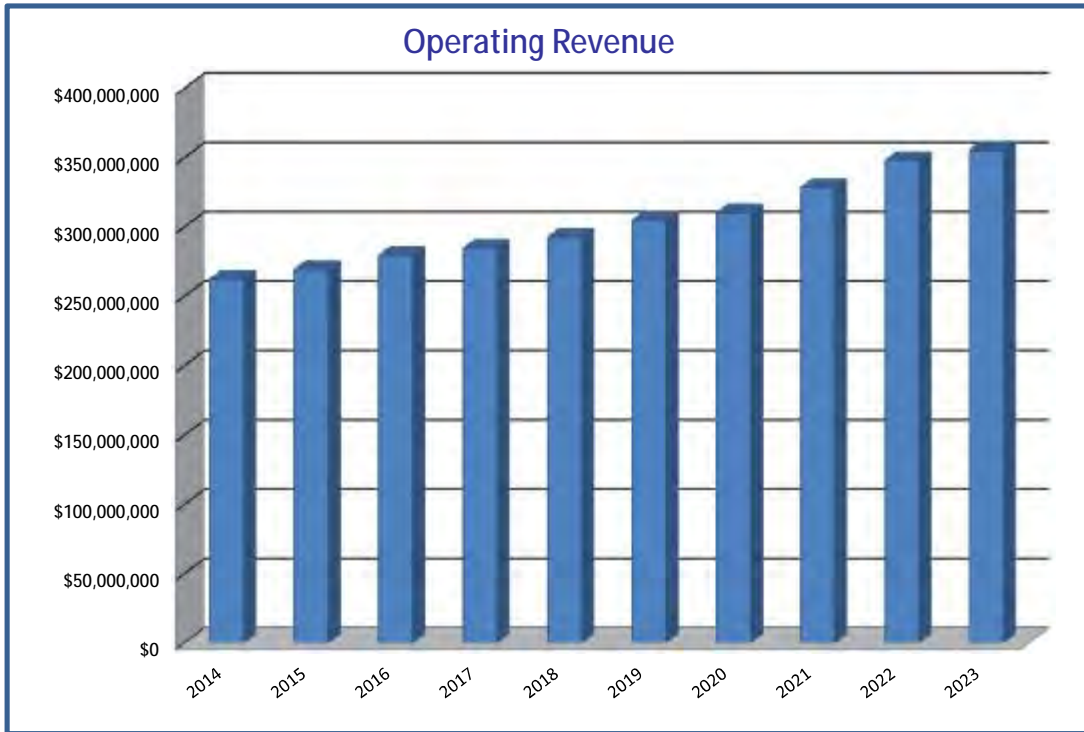
	<b>2023</b>			<b>2014</b>		
	<u>Tipping Fee Revenue</u>	<u>Rank</u>	<u>Percentage of Total Tipping Fee Revenue</u>	<u>Tipping Fee Revenue</u>	<u>Rank</u>	<u>Percentage of Total Tipping Fee Revenue</u>
Waste Management of Palm Beach	\$ 8,979,266	1	14.1 %	\$ 5,246,067	1	16.7 %
Waste Pro of FL Inc	4,967,193	2	7.8	1,409,686	5	4.5
West Palm Beach Utilities Dept	3,067,065	3	4.8			
City of Boynton Beach	2,227,333	4	3.5	1,557,108	4	5.0
West Palm Beach City of Public Works	1,732,797	5	2.7			
Palm Beach County Utilities	1,570,642	6	2.5	1,181,705	8	3.8
South Central Regional WWTD	1,496,779	7	2.4	1,216,872	7	3.9
The Goode Companies, Inc	1,441,194	8	2.3			
FCC Environmental Services FL, LLC	1,363,730	9	2.1			
Advance Disposal/Southern Waste Systems	1,193,802	10	1.9	986,821	10	3.1
Sun Recycling				3,542,460	2	11.3
City of West Palm Beach				2,226,073	3	7.1
Waste Management of Martin County				1,361,317	6	4.3
Republic Services				1,031,048	9	3.3
	<u>\$28,039,801</u>		<u>44.1 %</u>	<u>\$ 19,759,157</u>		<u>63.0 %</u>

Source: Authority financial records.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

GRAPH OF OPERATING REVENUE AND EXPENSES

Last Ten Fiscal Years



Source: Authority financial records.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**OUTSTANDING DEBT BY TYPE**

**Last Ten Fiscal Years**

Year Ended September 30	Revenue Bonds Payable	Note Payable	Lease Liability	Unamortized Premiums	Accreted Interest	Total Outstanding Debt	Percentage of Personal Income	Debt Per Capita
2014	\$ 978,118,800	\$ 56,000,000	\$ -	\$ 40,827,967	\$ 9,726,691	\$ 1,084,673,458	1.52%	\$ 730.97
2015	871,285,000	52,000,000	-	53,593,763	-	976,878,763	1.31%	632.82
2016	776,200,000	48,000,000	-	47,840,832	-	872,040,832	0.89%	626.58
2017	771,635,000	44,000,000	-	41,484,460	-	857,119,460	0.83%	615.86
2018	736,895,000	40,000,000	-	37,835,246	-	814,730,246	0.74%	568.38
2019	1,048,045,000	-	-	34,186,032	-	1,082,231,032	0.91%	747.47
2020	985,080,000	-	-	31,048,845	-	1,016,128,845	0.82%	692.90
2021	942,405,000	-	-	22,954,049	-	965,359,049	0.73%	642.50
2022	555,995,000	-	2,101,158	5,212,192	-	563,308,350	0.40%	369.66
2023	492,805,000	-	1,924,866	4,278,665	-	499,008,531	0.30%	325.57

Source: Authority financial records.

Note: The Authority has no limit on total debt, but must comply with the revenue bond coverage requirement on page 86.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**REVENUE BOND DEBT SERVICE COVERAGE**

**Last Ten Fiscal Years**

Year Ended September 30	Revenues (1)	Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirements		Debt Service Coverage (3)	
				Revenue Bonds	Note Payable	Revenue Bonds	All Debt
2014	\$ 224,660,345	\$ 113,926,974	\$ 110,733,371	\$ 62,240,024	\$ 4,517,225	1.78	1.66
2015	230,589,097	122,420,462	108,168,635	50,648,122	4,485,287	2.14	1.96
2016	240,587,682	131,670,142	108,917,540	49,214,235	4,516,414	2.21	2.03
2017	245,043,094	140,120,267	104,922,827	70,605,741	4,616,880	1.49	1.39
2018	252,459,900	139,648,769	112,811,131	70,071,191	4,776,067	1.61	1.51
2019	263,663,409	149,776,605	113,886,804	71,816,616	4,424,590	1.59	1.48
2020	259,709,820	156,090,207	103,619,613	71,620,507	-	1.45	1.45
2021	275,630,453	159,317,374	116,313,079	45,658,027	-	2.55	2.55
2022	292,437,515	171,793,796	120,643,719	62,955,662	-	1.92	1.92
2023	294,054,489	191,198,961	102,855,528	39,876,796	-	2.58	2.58

- (1) Revenues are calculated in accordance with the legal requirements of the bond documents, which define revenues as total revenues from the use of the Solid Waste System, excluding certain collection assessments and franchise fees for unincorporated areas of the County and including investment earnings not restricted for construction.
- (2) Expenses are calculated in accordance with the legal requirements of the bond documents, which define expenses as operating expenses excluding franchise hauler contract payments, depreciation and amortization, grant expenses, certain recycling expenses and certain repair, maintenance, engineering, legal and other contractual services for unincorporated areas of the County.
- (3) The Trust Indenture requires the Authority to maintain net revenues in each fiscal year equal to 110% of annual debt service requirements. For full disclosure, debt service coverage is reported for both revenue bond debt service requirements and also for debt service requirements that include subordinate debt.

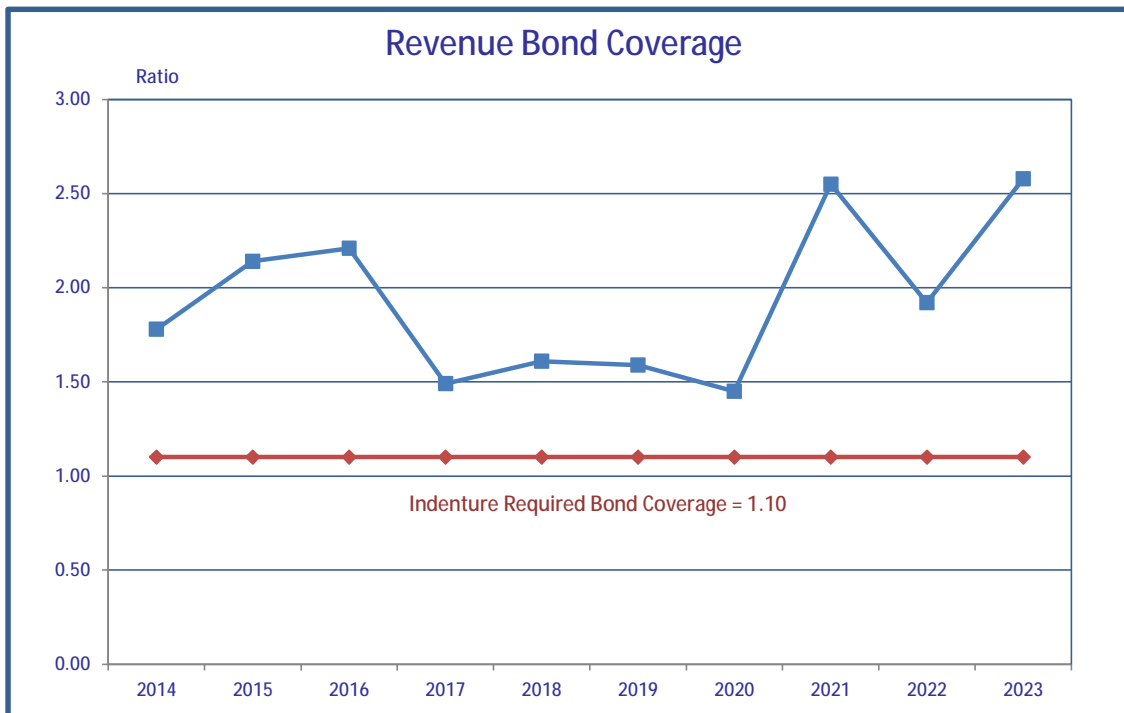
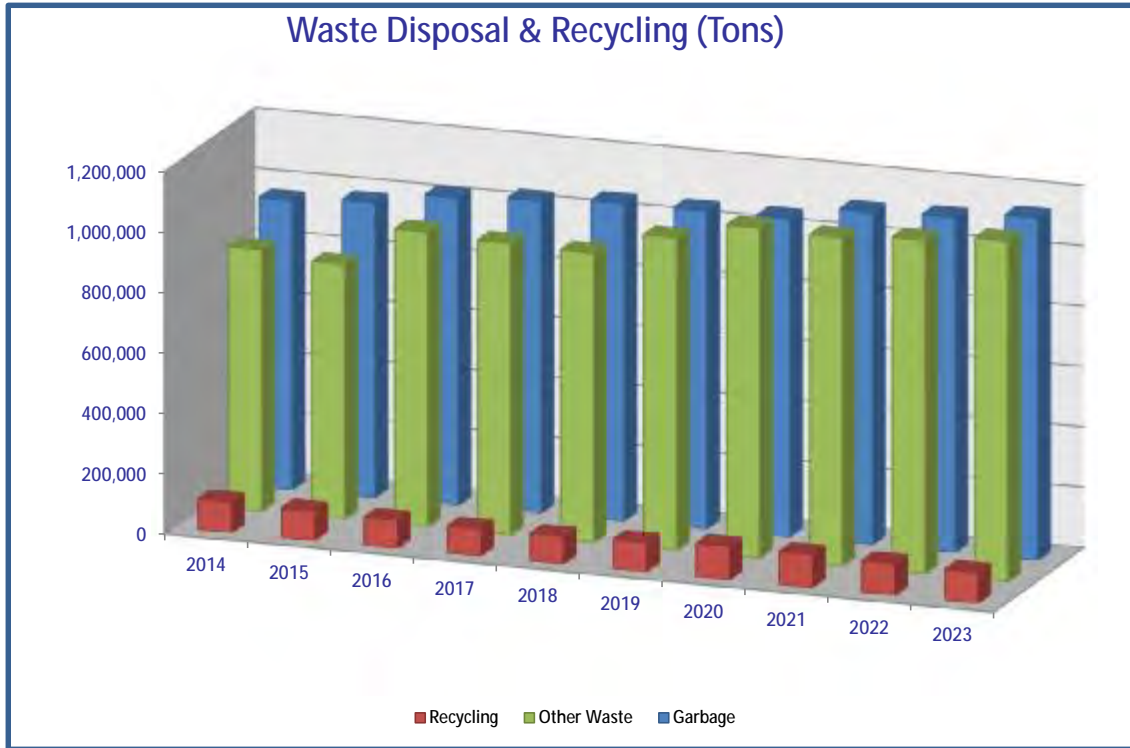
Source: Authority financial records.



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**GRAPH OF WASTE DISPOSAL AND RECYCLING TONNAGE  
GRAPH OF REVENUE BOND COVERAGE**

**Last Ten Fiscal Years**



Source: Authority financial records.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**Last Ten Fiscal Years**

<u>Year Ended September 30</u>	<u>County Population (1)</u>	<u>Estimated Total Personal Income (2) (In thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (2)</u>	<u>Education Level in Years of Formal Schooling</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (2)</u>
2014	1,372,682	79,234,565	62,438	43.2	N/A	183,336	5.6%
2015	1,374,312	93,526,272	69,122	44.0	N/A	186,526	5.3%
2016	1,391,741	97,806,900	68,743	43.2	N/A	188,808	4.7%
2017	1,414,144	103,876,015	71,946	44.3	N/A	194,323	3.6%
2018	1,433,417	109,973,732	74,754	44.4	N/A	195,289	3.7%
2019	1,447,857	118,519,249	81,858	43.5	N/A	196,581	3.2%
2020	1,466,494	124,632,614	83,268	44.6	N/A	198,118	7.3%
2021	1,502,495	131,435,258	87,478	45.2	N/A	191,798	4.7%
2022	1,518,152	140,843,515	92,773	45.2	N/A	188,186	2.9%
2023	1,532,718	165,598,174	108,042	45.4	N/A	190,817	3.3%

**Data Sources:**

- (1) Population data for 2014 through 2023 is from the Business Development Board of Palm Beach County.
- (2) Median age data from the U.S. Census Bureau; estimated total personal income from the Bureau of Economic Analysis; school enrollment from the School Board of Palm Beach County; and unemployment rate data from the Bureau of Labor Statistics (2023 is as of August 2023).

N/A - Not Available

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**PRINCIPAL COUNTY EMPLOYERS**

**Current Year and Nine Years Ago**

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board	22,426	1	3.0 %	21,548	1	3.5 %
Palm Beach County	12,266	2	1.6	10,807	2	1.8
Tenet HealthCare Corp.	5,734	3	0.8	6,100	3	1.0
FPL (NextEra Energy) Headquarters	5,330	4	0.7	3,804	4	0.6
Florida Atlantic University	5,059	5	0.7	2,980	6	0.5
Boca Raton Regional Hospital	3,135	6	0.4	2,250	10	0.4
Veterans Health Administration	2,600	7	0.3	2,700	8	0.4
Hospital Corp. Of America	2,419	8	0.3	2,714	7	0.4
The Breakers	2,300	9	0.3			
Baptist Health South Florida	2,282	10	0.3			
Bethesda Health, Inc.				2,643	9	0.4
G4S (Headquarters)				3,000	5	0.5
	<u>63,551</u>		<u>8.4 %</u>	<u>58,546</u>		<u>9.5 %</u>

Source: Business Development Board of Palm Beach County, Florida (last updated January 2022).

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**FULL-TIME AUTHORITY EMPLOYEES BY FUNCTION**

**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Office of the Executive Director	7	7	7	7	36	36	9	9	9	9
Administration*	52	52	52	55	-	-	-	-	-	-
Finance	77	77	77	78	78	83	85	87	87	85
Engineering & Public Works	18	18	18	18	31	32	55	53	53	54
Operations	<u>264</u>	<u>264</u>	<u>264</u>	<u>261</u>	<u>274</u>	<u>274</u>	<u>280</u>	<u>280</u>	<u>280</u>	<u>281</u>
<b>Total</b>	<u><u>418</u></u>	<u><u>418</u></u>	<u><u>418</u></u>	<u><u>419</u></u>	<u><u>419</u></u>	<u><u>425</u></u>	<u><u>429</u></u>	<u><u>429</u></u>	<u><u>429</u></u>	<u><u>429</u></u>

Source: Authority financial records.

\*The Administration Division was reorganized in FY 2018, with its departments reporting to the Executive Director, Engineering and Operations Divisions, and again in FY 2020 with its departments now reporting to the Engineering and Operations Divisions. The above table also reflects internal transfers by Fiscal Year.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**CAPITAL ASSET STATISTICS BY FUNCTION**

September 30, 2023

**Landfills**

Name	Size	Status
NCSWDF	333 acres	Active
WCSWDF	1,600 acres	Held for future need
Dyer Boulevard	405 acres	Closed - 1990 (active County Public Park)
Belle Glade	11 acres	Closed - 1990
Lantana Road	245 acres	Closed - 1987 (active County Public Golf Course)
Pahokee	13 acres	Closed - 1984
Cross State	78 acres	Closed - 1978

**Transfer Facilities**

Name	Size	Status
West County Transfer Station (WCTS), Belle Glade	500 TPD	Active
South County Transfer Station (SCTS), Delray Beach	1,000 TPD	Active
Central County Transfer Station (CCTS), Lantana	2,400 TPD	Active
North County Transfer Station (NCTS), Jupiter	1,900 TPD	Active
West Central County Transfer Station (WCCTS), Royal Palm Beach	1,900 TPD	Active
South West County Transfer Station (SWCTS), West Delray Beach	2,400 TPD	Active

**Palm Beach Renewable Energy Park (PBREP)**

PBREF #1	Refuse Derived Fuel (RDF) 61.3 megawatt turbo generator 2,000 TPD capacity Operational - November 1989
PBREF #2	Direct Fire Municipal Solid Waste (Mass Burn) 96.1 megawatt steam turbine generator 3,000 TPD capacity Operational - July 2015

**Other Facilities at PBREP**

		Status
Administrative Building	42,000 square feet	Active
Maintenance Building	39,000 square feet	Active
Waste Water Disposal System	10,000 GPM	Active
Landfill Operations Building	5,600 square feet	Active
Scale Facility WTE	1,141 square feet	Active
Scale Facility Landfill	1,141 square feet	Active
Facilities Maintenance Building	11,804 square feet	Active

Source: Authority financial records.

**Other Facilities at NCRRF Site (Continued)**

	<u>Status</u>
Water Supply System 1,800 GPM	Active
Household Hazardous Waste Facility 2,500 square feet	Active
Biosolids Processing Facility 600 TPD	Active
Recovered Materials Processing Facility 975 TPD	Active

**Other Equipment**

<u>Gas Recovery Systems</u>	<u>Capacity</u>	<u>Status</u>
Lantana Road Landfill	3,240,000 SCF/Day	Inactive
Dyer Landfill	4,104,000 SCF/Day	Active
NCSWDF	7,632,000 SCF/Day	Active

**Number of Months in Operation**

Year Ended September 30,	<u>Landfill</u>	<u>Transfer Facilities</u>					
	<u>NCSWDF</u>	<u>Belle Glade</u>	<u>South County</u>	<u>Central County</u>	<u>North County</u>	<u>West Central</u>	<u>South West</u>
2014	12	12	12	12	12	12	12
2015	12	12	12	12	12	12	12
2016	12	12	12	12	12	12	12
2017	12	12	12	12	12	12	12
2018	12	12	12	12	12	12	12
2019	12	12	12	12	12	12	12
2020	12	12	12	12	12	12	12
2021	12	12	12	12	12	12	12
2022	12	12	12	12	12	12	12
2023	12	12	12	12	12	12	12

Abbreviations

- PBREP - Palm Beach Renewable Energy Park
- NCSWDF - North County Solid Waste Disposal Facility
- WCSWDF - West County Solid Waste Disposal Facility
- PBREF - Renewable Energy Facility
- TPD - Tons per day
- TPY - Tons per year
- GPM - Gallons per minute
- SCF - Standard cubic feet

Source: Authority financial records.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**OPERATING INDICATORS**

**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Operating Indicators</b>				
Number of personnel				
Waste to energy facility (1)	3	4	4	4
Transfer stations	126	126	126	126
Landfill operations	32	32	31	31
Recycling (1)	15	15	15	15
<b>Workload Indicators</b>				
Tons of Waste processed (net of unprocessed)				
Waste to energy facility	868,819	1,230,986	1,722,169	1,745,253
Landfill materials	977,571	796,753	712,038	614,134
Recyclable materials	102,114	98,616	95,798	90,291
Cubic yards of landfill space				
Used during the year	823,422	553,719	299,675	305,172
Available at end of year	28,361,761	28,019,657	27,825,245	24,998,533
Estimated remaining life in years	34	32	33	33
<b>Effectiveness Indicators</b>				
Percentage of days that environmental standards were met				
Waste to energy facility	100%	100%	100%	98%
Landfill operations	100%	100%	100%	100%
Percentage of regulatory inspections detecting problems				
Waste to energy facility (smoke, dust, ash)	0%	0%	0%	0%
Landfill operations (odor, debris, noise)	0%	0%	0%	0%
Number of citizen complaints (odor)				
Waste to energy facility	-	-	-	-
Landfill operations	149	40	14	9
Other facilities	7	3	8	8

Notes:

- (1) Does not include personnel employed by independent operator of RMPF, PBREF#1 & PBREF#2.
- (2) Includes Authority permitted facilities.
- \* Updated for FY 2021 publication per updates from the Authority's Landfill Surveyor see the latest LDM for more up to date information.

N/A - Information not available at date of publication.

Source: Authority financial records.

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
	4	4	4	4	4	3
	126	131	129	128	128	136
	31	27	27	28	25	26
	15	15	15	15	15	15
	1,713,718	1,813,788	1,813,664	1,771,009	1,756,120	1,798,277
	673,767	620,161	625,562	689,248	718,338	712,915
	92,345	98,403	111,093	110,054	105,429	102,552
*	442,759	435,967	367,509	408,398	650,460	458,991
	24,681,879	27,294,377	26,926,868	26,518,470	25,868,010	25,464,905
	33	32	34	33	32	31
	100%	100%	100%	100%	100%	100%
	100%	100%	100%	100%	100%	100%
	0%	0%	0%	0%	0%	0%
	0%	0%	0%	0%	0%	0%
	-	-	-	-	-	3
	3	6	8	29	11	36
	1	2	1	1	2	1



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**OPERATING INDICATORS (Continued)**

**Last Ten Fiscal Years**

<b>Efficiency Indicators</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Percentage of waste reduction to total tons of waste received by				
Waste to energy facility - REF#1	56.35%	52.42%	61.24%	60.50%
Waste to energy facility - REF#2	0.00%	72.40%	70.48%	74.41%
Recycling (2)	55.48%	72.03%	71.71%	70.00%

Notes:

- (1) Does not include personnel employed by independent operator of NCRRF and MRF.
- (2) Includes Authority permitted facilities.
- \* Updated for FY 2021 publication per the Authority's plant operator final year-end reconciliations.

N/A - Information not available at date of publication.

Source: Authority financial records.

<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
60.48%	60.34%	60.12%	59.84%	56.84%	58.73%
75.11%	76.11% *	76.58%	74.74%	73.78%	73.81%
65.00%	73.14%	74.41%	77.80%	80.24%	N/A

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**MISCELLANEOUS STATISTICS**

September 30, 2023

**POPULATION (1)**

Age Distribution

Range of Ages	Percent of Population
0-5	5%
5-19	16%
20-44	29%
45-64	25%
65 and over	25%

**AREA**

Palm Beach County

2,385 square miles

**MUNICIPALITIES**

39

**PROPERTY APPRAISER - TOTAL TAXABLE VALUE (2)**

January 1, 2014	\$ 171,884,068,213
January 1, 2015	192,820,341,023
January 1, 2016	217,610,910,675
January 1, 2017	236,353,370,514
January 1, 2018	263,871,905,280
January 1, 2019	276,910,929,158
January 1, 2020	288,618,967,306
January 1, 2021	308,676,097,891
January 1, 2022	404,320,351,853
January 1, 2023	481,467,712,919

Source:

(1) U.S. Census Bureau (PBC estimates last updated 12/2022)

(2) Palm Beach County Property Appraisers Office

## **OTHER INFORMATION SECTION**

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**OTHER INFORMATION - INFORMATION REQUIRED BY  
SECTION 218.39(3)(c), FLORIDA STATUTES**

**For the Fiscal Year Ended September 30, 2023  
Unaudited**

**As required by Section 218.39(3)(c), Florida Statutes, the Authority reported:**

<b>Required Information</b>		<b>Reported</b>
The total number of Authority employees compensated in the last pay period of the Authority's fiscal year 2023:		402
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year 2023:		278
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for fiscal year 2023:		\$ 32,878,016
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for fiscal year 2023:		\$ 218,374,592
Each construction project with a total cost of at least \$65,000 approved by the Authority that was scheduled to begin on or after October 1 of the fiscal year 2023, together with the total expenditures for such project:		
Project	Budget	Expenditures
See detailed schedule on page 99	\$ 36,351,533	\$ 18,537,553
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year 2021 being reported if the Authority amends a final adopted budget under Section 189.016(6), Florida Statutes:		See page 100

(Continued)

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**OTHER INFORMATION - INFORMATION REQUIRED BY  
SECTION 218.39(3)(c), FLORIDA STATUTES**

**For the Fiscal Year Ended September 30, 2023**

**Unaudited  
(Continued)**

**As required by Section 218.39(3)(c), Florida Statutes, the Authority reported:**

<b>Detailed Schedule of Projects</b>		
Each construction project with a total cost of at least \$65,000 approved by the Authority that was scheduled to begin on or after October 1 of the fiscal year 2023, together with the total expenditures for such project:		
Project	Budget	Expenditures
Remediation projects for the Authority's Landfill	\$ 1,147,713	\$ 173,411
Implement Waste to Energy (WTE) Ash Recycling and Beneficial Use Project	1,484,820	202,641
Replacement of the Authority's Landfill Cameras and Security System	297,000	70,071
Improvement to the Authority's Administration Building for a New Office Space	200,000	624,470
South West County Transfer Station (SWCTS) Tip Floor Refurbishments	500,000	-
The Authority's Class I Landfill Expansion of Cells 25 and 26	3,600,000	168,326
Final Closure of the Authority's Class III Landfill	12,000,000	-
South County Transfer Station (SCTS) Redesign and Repair Curbs and Asphalt	75,000	109,043
Authority's Class I Landfill Closure of Cells 5-10	10,000,000	7,716,868
Electrical Distribution Analysis to Upgrade at the BPF and RMPF Facilities	150,000	109,043
Authority's Dyer Park Ground Improvements	150,000	294,470
Facilities Extraordinary Repair of Asphalt at Various Authority Sites	200,000	103,335
Facilities LED Lighting Upgrades at various Authority Facilities	70,000	24,812
SCTS AC Replacements	65,000	62,629
West Central County Transfer Station (WCCTS) Demolish/Replace Push Wall	75,000	-
Facilities Jog Road Fence Replacement	120,000	194,736
Reorganization of the Authority's Facilities & Utilities Building Office Space	80,000	-
Scale Deck Replacements at the Authority's Weigh Stations	450,000	314,990
SWCTS Gate Replacement	150,000	23,990
AC Replacements at the Authority's Vehicle Equipment Maintenance Building	145,000	146,716
WCCTS Refurbish and Replace Containment Wall	100,000	-
Trommel Replacement at the Authority's Palm Beach Renewable Facility #1 (PBREF#1)	1,250,000	1,457,695
Roof Replacement at PBREF#1's Water Treatment Building	75,000	-
Industrial Supply Well (ISW) System Improvement	150,000	-
Landfill Gas (LGF) Systems Expansion and Upgrade	300,000	21,461
Leachate Force Main System Improvements	100,000	-
Utilities Department's High Voltage Power Distribution System Upgrade	100,000	39,081
Utilities Department Valve Replacement	75,000	-
Utilities Department's Upgrades to the Authority's Injection Well System	230,000	-
Replacement of the Authority's High Voltage Underground Feeder	100,000	546,736
Manhole Repair and Rehabilitation	250,000	-
Non-potable Water Supply Upgrades	150,000	-
Authority Lift Station Modifications	195,000	-
Expansion and additions to the Authority's Household Hazardous Waste (HHW) Facility	100,000	-
Construct New Metal Lay Down Area at the Authority's PBREF#1	175,000	-
<b>Total</b>	<b>\$ 34,309,533</b>	<b>\$ 12,404,524</b>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**OTHER INFORMATION - BUDGET VARIANCE REPORT**

**For the Fiscal Year Ended September 30, 2023  
Unaudited**

	<b>Original (Final) Budget</b>	<b>Actual</b>	<b>Variance With Final Budget Positive (Negative)</b>
<b>Revenues</b>			
Assessments	\$ 229,678,035	\$ 230,073,663	\$ 395,628
Tipping fees	50,966,518	62,587,114	11,620,596
Electric generation	48,455,816	49,154,125	698,309
Recycling income	11,954,812	11,105,521	(849,291)
Franchise fees	1,832,738	2,171,151	338,413
Interest and dividend income	300,000	20,867,615	20,567,615
Grant income	-	280,313	280,313
Other Revenue	1,461,706	2,168,341	706,635
	<b><u>\$ 344,649,625</u></b>	<b><u>\$ 378,407,843</u></b>	<b><u>\$ 33,758,218</u></b>
<b>Expenses</b>			
Franchise hauler contract payments	\$ 62,490,317	\$ 56,604,609	\$ 5,885,708
Contract payments to plant operators	100,369,834	85,653,131	14,716,703
Personnel services	51,226,201	56,860,117 *	(5,633,916)
Landsite expenses	32,985,033	10,492,649	22,492,384
Contractual services	25,245,612	21,737,732	3,507,880
Repairs and maintenance	6,310,418	5,426,200	884,218
Interest expense	39,927,018	12,150,454	27,776,564
Other expenses	26,095,192	24,167,888	1,927,304
	<b><u>\$ 344,649,625</u></b>	<b><u>\$ 273,092,780</u></b>	<b><u>\$ 71,556,845</u></b>

\* Includes a \$6.8 million accrual for the Authority's share of the Florida Retirement Systems' (FRS) unfunded pension liability. This is not a budgeted expenses and will be trued up in future budget cycles.

**COMPLIANCE REPORTS AND  
MANAGEMENT LETTER**





# NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE  
NORTHBRIDGE CENTRE  
515 N. FLAGLER DRIVE, SUITE 1700  
POST OFFICE BOX 347  
WEST PALM BEACH, FLORIDA 33402-0347  
TELEPHONE (561) 659-3060  
FAX (561) 835-0628  
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA  
EDWARD T. HOLT, CPA  
WILLIAM B. MINER, RETIRED  
ROBERT W. HENDRIX, JR., CPA  
JANET R. BARICEVICH, RETIRED, CPA  
TERRY L. MORTON, JR., CPA  
N. RONALD BENNETT, CVA, ABV, CFF, CPA  
ALEXIA G. VARGA, CFE, CPA  
EDWARD T. HOLT, JR., PFS, CPA  
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA  
RYAN M. SHORE, CFP®, CPA  
WEIPAN, CPA  
WILLIAM C. KISKER, CPA  
RICHARD E. BOTTS, CPA

## 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*

BELLE GLADE OFFICE  
333 S.E. 2nd STREET  
POST OFFICE BOX 338  
BELLE GLADE, FLORIDA 33430-0338  
TELEPHONE (561) 996-5612  
FAX (561) 996-6248

The Honorable Chair and Members of the  
Solid Waste Authority Board  
Solid Waste Authority of Palm Beach County  
West Palm Beach, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Solid Waste Authority of Palm Beach County, Florida, as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Solid Waste Authority of Palm Beach County, Florida's basic financial statements, and have issued our report thereon dated February 13, 2024.

### Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Solid Waste Authority of Palm Beach County, Florida'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 the Solid Waste Authority of Palm Beach County, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the Solid Waste Authority of Palm Beach County, Florida's internal control.

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

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

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

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

### **Purpose of This Report**

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

*Nowlen, Holt & Miner, P.A.*

West Palm Beach, Florida  
February 13, 2024



# NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

WEST PALM BEACH OFFICE  
NORTHBRIDGE CENTRE  
515 N. FLAGLER DRIVE, SUITE 1700  
POST OFFICE BOX 347  
WEST PALM BEACH, FLORIDA 33402-0347  
TELEPHONE (561) 659-3060  
FAX (561) 835-0628  
WWW.NHMCPA.COM

EVERETT B. NOWLEN (1930-1984), CPA  
EDWARD T. HOLT, CPA  
WILLIAM B. MINER, RETIRED  
ROBERT W. HENDRIX, JR., CPA  
JANET R. BARICEVICH, RETIRED, CPA  
TERRY L. MORTON, JR., CPA  
N. RONALD BENNETT, CVA, ABV, CFF, CPA  
ALEXIA G. VARGA, CFE, CPA  
EDWARD T. HOLT, JR., PFS, CPA  
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA  
RYAN M. SHORE, CFP®, CPA  
WEI PAN, CPA  
WILLIAM C. KISKER, CPA  
RICHARD E. BOTTS, CPA

## MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

BELLE GLADE OFFICE  
333 S.E. 2nd STREET  
POST OFFICE BOX 338  
BELLE GLADE, FLORIDA 33430-0338  
TELEPHONE (561) 996-5612  
FAX (561) 996-6248

The Honorable Chair and Members of the  
Solid Waste Authority Board  
Solid Waste Authority of Palm Beach County  
West Palm Beach, Florida

### Report on the Financial Statements

We have audited the financial statements of the Solid Waste Authority of Palm Beach County, Florida (the "Authority"), as of and for the fiscal year ended September 30, 2023, and have issued our report thereon dated February 13, 2024.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 13, 2024, should be considered in conjunction with this Management Letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the prior year that required corrective actions.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this Management Letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note A to the financial statements. There were no component units included in the Authority's financial statements.

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes, as of and for the year ended September 30, 2023.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Special District Component Units**

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we noted the Authority provided a copy of its 2023 audited financial statements to Palm Beach County, Florida, for proper reporting within the audited financial statements of the County in accordance with Section 218.39(3)(b), Florida Statutes.

Based on the application of criteria in publications cited in Section 10.553, Rules of the Auditor General, there are no special district component units of the Solid Waste Authority of Palm Beach County, Florida.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Authority reported the required information in the Other Information Section on pages 98 through 100.

### **Single Audits**

The Authority expended less than \$750,000 of federal awards and less than \$750,000 of state financial assistance for the year ended September 30, 2023. Therefore, the Authority was not required to have a federal single audit or a state single audit.

**Purpose of this Letter**

Our Management Letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Solid Waste Authority Board, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Nowlen, Holt & Mimes, P.A.*

West Palm Beach, Florida  
February 13, 2024



# NOWLEN, HOLT & MINER, P.A.

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WEST PALM BEACH OFFICE  
NORTHBRIDGE CENTRE  
515 N. FLAGLER DRIVE, SUITE 1700  
POST OFFICE BOX 347  
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WEI PAN, CPA  
WILLIAM C. KISKER, CPA  
RICHARD E. BOTTS, CPA

## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

BELLE GLADE OFFICE  
333 S.E. 2nd STREET  
POST OFFICE BOX 338  
BELLE GLADE, FLORIDA 33430-0338  
TELEPHONE (561) 996-5612  
FAX (561) 996-6248

The Honorable Chair and Members of the  
Solid Waste Authority Board  
Solid Waste Authority of Palm Beach County  
West Palm Beach, Florida

We have examined the Solid Waste Authority of Palm Beach County, Florida's (the "Authority") compliance with Section 218.415, Florida Statutes during the year ended September 30, 2023. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

Our examination does not provide a legal determination on the Authority's compliance with the specified requirements.

In our opinion, the Authority complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2023.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Solid Waste Authority Board, applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Nowlen, Holt & Miner, P.A.*

West Palm Beach, Florida  
February 13, 2024