

SOLID WASTE AUTHORITY of Palm Beach County



Fiscal Years Ended
September 30, 2024 and 2023
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, 2024 AND 2023**



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, 2024 AND 2023

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SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

SEPTEMBER 30, 2024 AND 2023

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YOUR PARTNER FOR
SOLID WASTE SOLUTIONS

February 12, 2025

The Honorable Chair and Members of the
Solid Waste Authority Board and Residents of Palm Beach County
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, 2024, 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 closure 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, 2024, 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, 2024.

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 1.55 million. Projections show the population growing at an estimated annual rate of 0.59% from 2024 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 2024 through 2050 are lower than those projected in 2023. The population beyond 2050 is assumed to grow at an average annual rate of 0.30%

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 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 2024 and all prior fiscal years.

Long Term Financial Planning: The unemployment rate in Palm Beach County for 2024 is 3.8% (as of August 2024), which is up slightly from 2023 at 3.3% (as of August 2023). 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), 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 (Tons/Year)	Trash/ Other Waste (Tons/Year)	Recycled Materials (Tons/Year)	Waste Stream Total (Tons/Year)
ACTUAL	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
	2024	1,140,419	1,154,405	101,428	2,396,252
PROJECTED	2030*	1,296,309	1,223,644	112,722	2,632,675
	2035*	1,409,357	1,265,787	122,553	2,797,697

**Projected tonnage is from SWA's 2025 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 (MSW) 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. In accordance with the Interlocal Agreements (ILAs), at least five years prior to the termination of the O&M Agreement on August 9, 2029, the participants are required to jointly determine if the BPF shall continue operation or if the operation shall cease as set forth in the O&M Agreement. The Authority has received the written votes from all six (6) Municipal Wastewater Utilities (Partners/Participants) in favor of continuing participation in the BPF partnership after August 2029. Since there is a unanimous vote among the Partners to continue the operation of the BPF, in accordance with the O&M Agreement, the Authority, with the consultation of the Participants, shall initiate procurement of a contract operator and make a determination of any rehabilitation, upgrade and/or improvements that should be made to the BPF. Phase 3 of this planning project will begin in 2025. The recommended projects and initiatives will be accomplished in conjunction with the Partners in the development and operation of this facility.

The Authority registered and sold Renewable Thermal Certificates (RTCs) that are created from the beneficial reuse of landfill gas at the BPF, in lieu of using natural gas. One (1) RTC is created for every million BTU (mmBTU) of landfill gas beneficially used. The Authority successfully sold 450,000 RTCs created in 2022, 2023, and 2024, generating approximately \$789,000 in gross revenue for the Authority.

The Authority issued a contract change order for the design, fabrication and installation of an upgrade to the fiber processing system at the Recovered Materials Processing Facility (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 efficiency, reduced operating costs and increasing revenue.

The Authority completed the fabrication and installation of two (2) new trommel screens in the Renewable Energy Facility#1 (REF #1) Refuse Derived Fuel (RDF) processing building. The trommels are a critical component used to produce RDF from post-recycled MSW which is subsequently combusted to produce clean renewable energy. The old 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 Facilities #1. One (1) REC is created for every megawatt generated. The Authority successfully sold over 2.1 million RECs resulting in over \$360,000 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 MSW 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 Authority finally received concurrence from the Florida Department of Transportation (FDOT) for use of ash aggregate in non-structural concrete per the 2024 Section 347 Standard Specifications for Road and Bridge. The Authority continues to have discussions with local municipal agencies/departments to identify potential projects, and with several aggregate and concrete suppliers to engage potential partners in completing these projects.

The Authority continued the follow-up Advanced Metals Recovery (AMR) pilot project to evaluate a processing system that removes small, less than 3/8" metal fractions from the bottom ash residue created during the combustion of post-recycled MSW 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. During the past fiscal year approximately 146,000 tons of bottom ash was processed resulting in a net revenue to the Authority in excess of \$450,000. 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 Phase 2 construction of 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. Closure of the west sideslope of Class I Cells 5, 8, 9, and 11 was completed in June 2023. Closure construction then moved on to the east sideslope of Class I Cells 6, 7, and 10 and was completed in December 2024.

The Authority completed the construction of a project to replace the underground electric cables for Feeders F4, F5 and F6. Several new pad-mounted switches were replaced, and one new switch was added to allow the facilities on F4 and F5 to be powered by either feeder. Construction was 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 was completed in 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 July 2026. An Invitation to Bid for this construction project will be issued in Spring 2025.

The Authority began design efforts in 2024 for 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 began in March 2024. The first phase of this closure construction is anticipated to commence in Fall 2025.

The Authority completed a project in August 2024 to repair the sacrificial slab on the tipping floor at the Central County Transfer Station. Similar to Southwest County Transfer Station refurbishments completed in March 2023, the Authority used a new high-wear tipping floor topper product called EmoryTop 400 from Laticrete. It is engineered to be chemically resistant to leachate and have superior abrasion and impact resistance, all common problems on a tipping floor. This is achieved by using a unique emory aggregate from Turkey with a hardness approaching 90% of industrial grade diamonds. The Authority intends to use this product going forward in place of silica fume concrete, which has been used on the Authority's tipping floors for decades. The goal of these projects is to reduce maintenance costs at the facilities and extend the life of these floors beyond the current 4 to 5 years.

In addition to the tipping floor repair at Central County Transfer Station, the Contractor completed the repairs to address cracked and spalled concrete around each of the six (6) hoppers.

The Authority has a total of six (6) underground fuel and other petroleum-based fluid storage tanks (USTs) at the Vehicle and Equipment Maintenance Facility on Jog Road. Installed in the 1980s, these tanks are nearing the end of their expected useful lives. The Authority initiated design and permitting efforts to replace these tanks with above ground storage tanks (ASTs) to minimize the risk of future environmental impact. The project is anticipated to be completed in July 2025.

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 updated the 2009 analysis and developed a revised cost estimate and lifecycle cost comparison. The initial results indicate that implementing this project will be beneficial and reduce operational costs.

In 2024, the Authority completed programmatic testing and rehabilitative services on the Industrial Supply Well (ISW) Systems at the Palm Beach Renewable Energy Park (PBREP) and Park Ridge Golf Course. The Authority also initiated an extensive well rehabilitation project at the Deep Injection Well (DIW) System located at the PBREP.

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) and Central County Transfer Station (CCTS) projects, the Authority will be installing the EmoryTop concrete on the tipping floor at the South County Transfer Station (SCTS). The project will reduce maintenance costs at the facility.

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, improving efficiency of water consumption and meeting contractual water use obligations. These projects will be implemented in a phased approach over the next 5-7 years.

The DIW system is approaching forty (40) years of operation at the PBREP. As part of the master planning efforts, the Authority will initiate a hydrogeological investigation to site the location of two replacement wells for the DIW system.

Central County Transfer Station (CCTS) is the Authority's busiest transfer station, handling 450,000 tons of waste per year. Continued growth in tonnage has been accompanied by a significant increase in traffic. In particular, the facility has become very popular with small contractors, landscapers, and citizens with very small quantities of material. These customers typically manually unload which results in congestion on the tipping floor and long lines for customers. The Authority will begin design and permitting efforts for a new, outdoor vegetative waste drop-off area, similar to what is currently being utilized at every other Authority transfer station. In addition to the new drop-off area, the Authority will shift building debris into the existing Recycling Building. Recyclables will be managed in the main transfer station building, similar to other transfer stations. These changes are anticipated to improve traffic flow through the facility, reduce congestion, and reduce wait times.

The Authority will initiate the planning of a new Renewable Energy Facility to replace REF#1. REF#1 was commissioned in 1989, refurbished in 2009 and is currently planned to be decommissioned in 2034. The commissioning of the new REF will coincide with the planned closing of REF#1 in 2034. It is planned to have a minimum processing capacity of 3,000 tons per day. The initial planning will include developing a detailed critical path milestone implementation schedule, and a fatal flaw level investigation of the proposed site and environmental regulatory requirements, line of sight evaluations and development of potential architectural concepts.

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, 2023. 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.

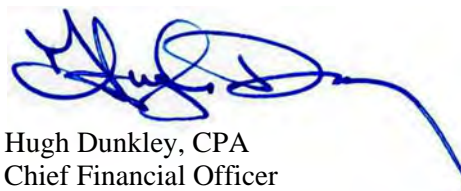
Acknowledgments: The preparation of the annual comprehensive financial report on a timely basis was made possible by the dedicated services of the entire staff of the finance and treasury departments. Each member of these departments has our sincere appreciation for the contributions made in the preparation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



Dan Pellowitz
Executive Director



Hugh Dunkley, CPA
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, 2023

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, 2024

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



Chair
Vice Mayor
Maria G. Marino
District 1



Vice Chair
Commissioner
Sara Baxter
District 6



Secretary
Commissioner
Marci Woodward
District 4



Member
Mayor
Maria Sachs
District 5



Member
Commissioner
Gregg K. Weiss
District 2



Member
Commissioner
Michael A. Barnett
District 3



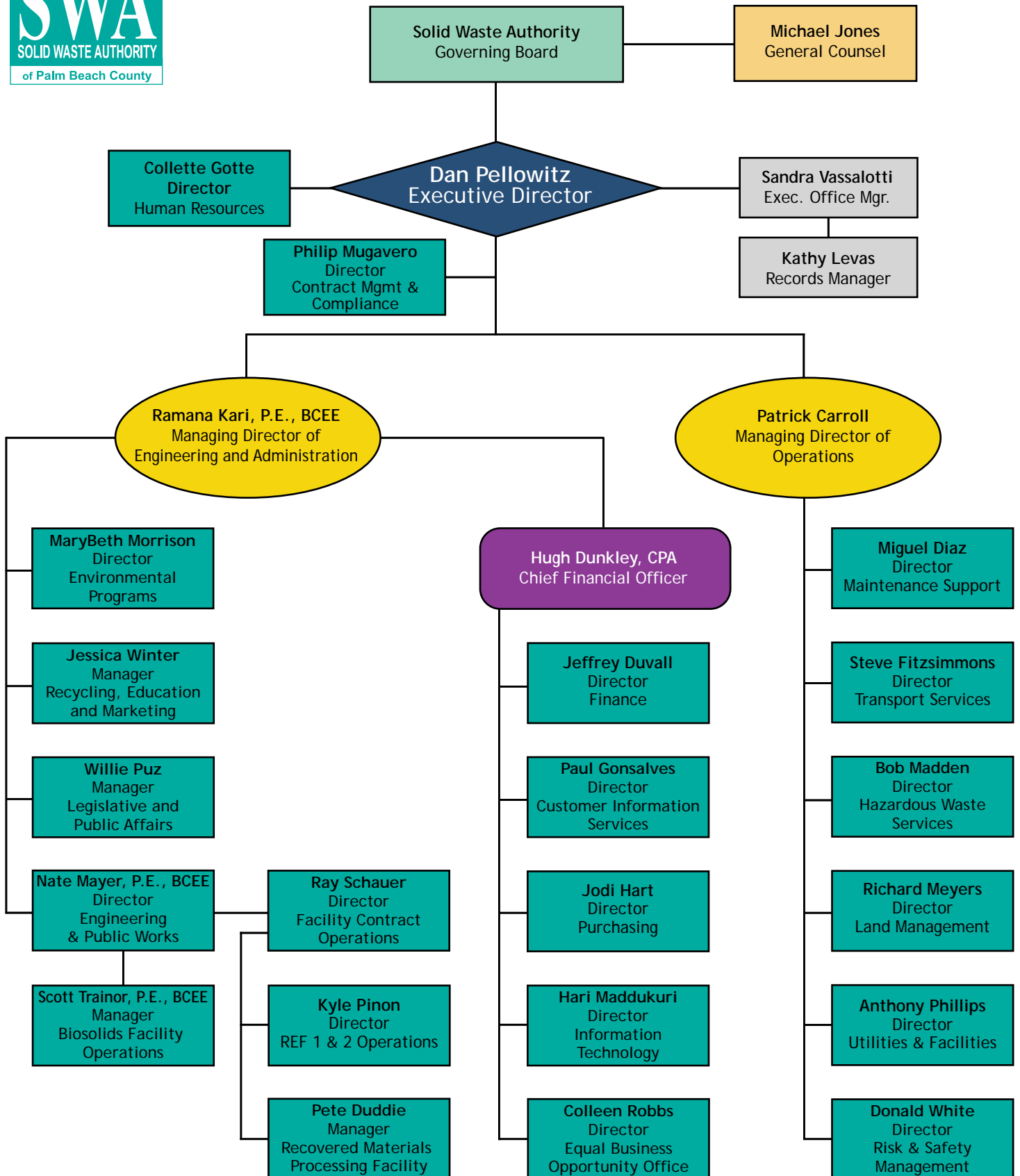
Member
Commissioner
Mack Bernard
District 7

Daniel Pellowitz
Executive Director

Hugh Dunkley, CPA
Chief Financial Officer



Solid Waste Authority of Palm Beach County
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FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

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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

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Report on the Audits of the Financial Statements

Opinion

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, 2024 and 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 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, 2024 and 2023, 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 Opinion

We conducted our audits 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 Audits 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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 Audits 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 opinion. 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 audits.
- 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 audits 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 audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

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 62, and the pension schedules on pages 63 through 66 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 audits 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 opinion 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 audits 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 10, 2025, 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 10, 2025

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, 2024, and 2023. 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 \$786.3 million, \$738.0 million, and \$694.4 million at the close of fiscal years 2024, 2023, and 2022, respectively. Of these amounts, approximately \$248.6 million, \$179.3 million, and \$145.0 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 \$48.3 million for fiscal year 2024. Details regarding the operations for 2024 are provided in our letter of transmittal. Revenues and capital contributions exceeded expenses by \$43.6 million and \$29.2 million for fiscal years 2023 and 2022, 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 tenth 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 2057. Net capital assets decreased by \$51.4 million in fiscal year 2024. The Authority's net capital assets decreased by 5.8% in 2023 and by 6.0% in 2022.
- The Authority's operating revenues increased from the prior year by approximately 4.9% and operating expenses increased by approximately 5.4%. The increase in revenue is primarily from increased tipping fees, interest income and recycling income. The increase in operating expenses is primarily attributable to increased payments to franchise haulers and plant operators as well as increased landsite expenses. These variances are described in the Summary of Revenues, Expenses and Changes in Net Position on page 12.

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 \$48,264,907, \$43,617,472 and \$29,237,212 during fiscal years 2024, 2023, and 2022, respectively. A condensed summary of the Authority's net position for fiscal years 2024, 2023, and 2022 is presented below:

	2024	2023	2022
<u>Assets</u>			
<i>Current and Other Assets</i>	\$ 565,501,432	\$ 519,032,959	\$ 484,974,009
<i>Capital Assets</i>	830,011,704	881,455,854	931,660,554
Total Assets	\$ 1,395,513,136	\$ 1,400,488,813	\$ 1,416,634,563
<u>Deferred Outflows of Resources</u>			
	\$ 8,935,315	\$ 9,442,800	\$ 10,894,634
<u>Liabilities</u>			
<i>Noncurrent Liabilities</i>	\$ 536,359,244	\$ 599,356,392	\$ 642,209,713
<i>Other Liabilities</i>	68,801,338	60,204,611	77,716,119
Total Liabilities	\$ 605,160,582	\$ 659,561,003	\$ 719,925,832
<u>Deferred Inflows of Resources</u>			
	\$ 12,997,345	\$ 12,344,993	\$ 13,195,220
<u>Net Position</u>			
<i>Net Investment in Capital Assets</i>	\$ 411,011,050	\$ 433,375,480	\$ 414,293,641
<i>Restricted</i>	126,633,492	125,389,336	135,086,105
<i>Unrestricted</i>	248,645,982	179,260,801	145,028,399
Total Net Position	\$ 786,290,524	\$ 738,025,617	\$ 694,408,145

Net investment in capital assets (approximately 52.3%, 58.7% and 59.7% of the Authority's total net position for 2024, 2023, and 2022, 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 16.1%, 17.0% and 19.5%, of the Authority's total net position for 2024, 2023, and 2022, respectively) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of net position (approximately 31.6%, 24.3%, and 20.8% of the Authority's total net position for 2024, 2023, and 2022, 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, 2024, 2023, and 2022 is presented below:

	2024	2023	2022
Operating Revenues			
Assessments	\$ 237,211,949	\$ 230,073,663	\$ 214,321,185
Tipping Fees	68,930,516	62,587,114	57,158,116
Electric Generation	49,362,189	49,154,125	55,317,955
Other Operating	16,968,907	13,281,452	20,926,504
Total Operating Revenue	<u>372,473,561</u>	<u>355,096,354</u>	<u>347,723,760</u>
Operating Expenses			
Franchise Hauler Contract Payments	58,404,473	56,604,609	52,647,615
Contract Payments to Plant Operators	90,916,664	85,653,131	83,138,699
Personnel Services	55,062,599	56,860,117	47,389,897
Depreciation and Amortization	62,622,709	61,697,591	65,669,216
Other Operating	73,080,679	61,824,469	59,627,871
Total Operating Expenses	<u>340,087,124</u>	<u>322,639,917</u>	<u>308,473,298</u>
Operating Income	<u>32,386,437</u>	<u>32,456,437</u>	<u>39,250,462</u>
Non-Operating Revenues/Expenses			
Investment Income	25,838,539	20,867,615	3,163,737
Grant Income	-	280,313	-
Other Income/Expenses	1,522,863	2,163,561	(318,554)
Interest Expense	(11,482,932)	(12,150,454)	(12,858,433)
Total Non-Operating Expense	<u>15,878,470</u>	<u>11,161,035</u>	<u>(10,013,250)</u>
Income (Loss) Before Capital Contributions	<u>48,264,907</u>	<u>43,617,472</u>	<u>29,237,212</u>
Capital Contributions	<u>-</u>	<u>-</u>	<u>-</u>
Increase (Decrease) in Net Position	<u>48,264,907</u>	<u>43,617,472</u>	<u>29,237,212</u>
Net Position - 10/01	<u>738,025,617</u>	<u>694,408,145</u>	<u>665,170,933</u>
Net Position - 09/30	<u>\$ 786,290,524</u>	<u>\$ 738,025,617</u>	<u>\$ 694,408,145</u>

The Authority's net position increased during fiscal year 2024 by \$48,264,907. Net position increased by \$43,617,472 and \$29,237,212 in 2023 and 2022, respectively. The change in net position from the prior fiscal year is due to the following:

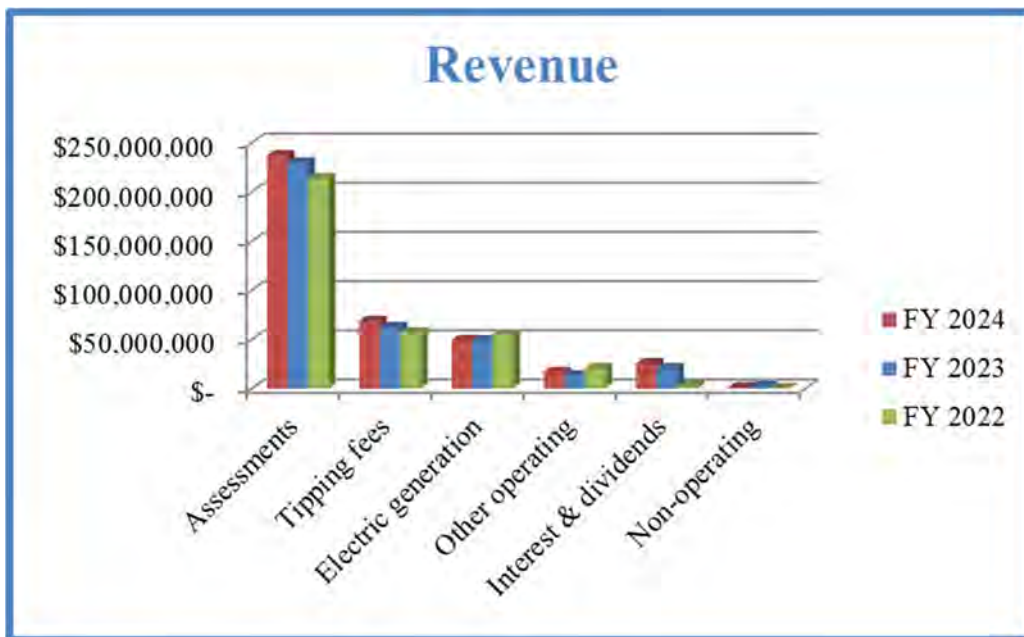
- Operating Revenue increased by \$17.4 million, mainly due to the increase in the FY 2024 non-ad valorem Assessment rates for both Disposal and Mandatory Collection Assessments: along with increased Tipping Fee and Recycling revenues.
- Non-operating revenue increased by \$4.0 million primarily due to interest and dividend income.
- Operating Expenses increased 5.4% in total including contract payments to plant operator and \$1.8M increase in franchise hauler contract 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 \$5.3 million or 6.1% from FY 2023 due to contractual rate increases that are adjusted annually and Other Operating increased by \$11.3 million due to planned increases in landsite expenses.

Net position increased by \$29,237,212 in 2022 and by \$20,381,481 in 2021. The net position increase of \$43,617,472 in 2023 from the prior fiscal year was 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 \$8.1M in FY 2023.
- Operating Expenses increased 4.6% in total including personnel services and approximately a \$4.0M increase in franchise hauler contract 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.

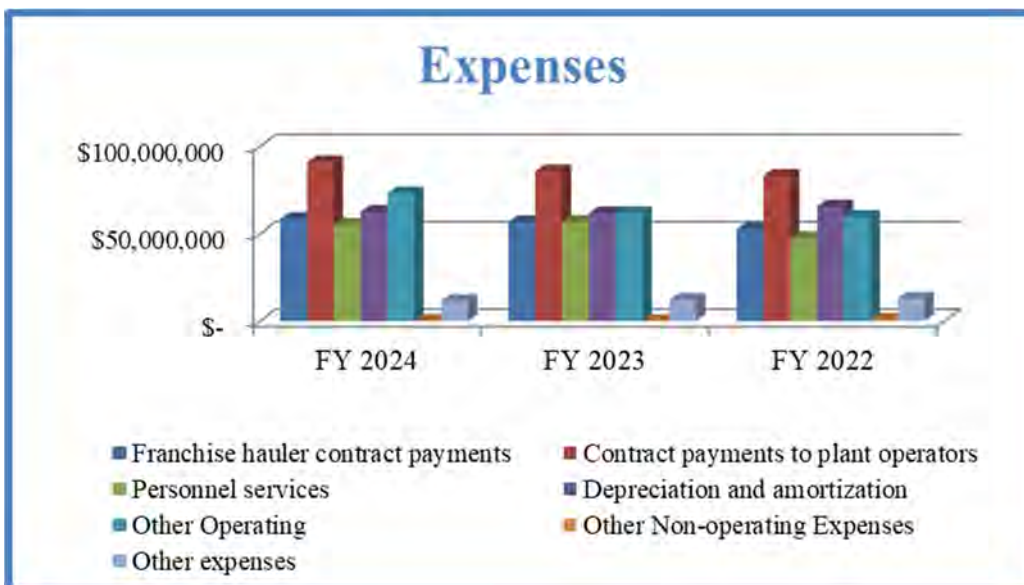
Revenues by Source (Graph)

The following graph shows the major sources of revenues for the years ended September 30, 2024, 2023, and 2022:



Expenses by Source (Graph)

The following graph shows the major expense categories for the years ended September 30, 2024, 2023, and 2022:



Capital Assets

During fiscal year 2024, the Authority's net capital assets decreased approximately \$51.4 million due primarily to annual depreciation expense of approximately \$62.6 million.

A summary of the 2024 capital asset acquisitions and disposals is as follows:

	<i>Balance</i> <i>10/01/23</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance</i> <i>09/30/24</i>
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Buildings	762,534,899	135,866	-	762,670,765
Improvements other than buildings	172,007,325	456,981	-	172,464,306
Equipment	761,574,583	10,368,024	(6,661,876)	765,280,731
Construction in Progress	146,716	36,679	(183,395)	-
Right to use leased assets - property	2,240,908	-	-	2,240,908
Right to use leased assets - equipment	275,105	372,902	(275,105)	372,902
Total Assets	1,749,405,662	11,370,452	(7,120,376)	1,753,655,738
<i>Accumulated Depreciation</i>	<i>(867,949,808)</i>	<i>(62,622,709)</i>	<i>6,928,483</i>	<i>(923,644,034)</i>
Total Assets Less Depreciation	\$ 881,455,854	\$ (51,252,257)	\$ (191,893)	\$ 830,011,704

During fiscal year 2023, the Authority's net capital assets decreased approximately \$50.2 million due primarily to annual depreciation expense of \$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
Total Assets	1,773,410,972	11,525,038	(35,530,348)	1,749,405,662
<i>Accumulated Depreciation</i>	<i>(841,750,418)</i>	<i>(61,697,591)</i>	<i>35,498,201</i>	<i>(867,949,808)</i>
Total Assets Less Depreciation	\$ 931,660,554	\$ (50,172,553)	\$ (32,147)	\$ 881,455,854

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

At the close of fiscal year 2024, the Authority had \$446,825,000 in outstanding revenue bonds payable compared to \$492,805,000 outstanding at the close of fiscal year 2023, a decrease of 9.3%.

On June 25, 2024, the Authority used General Reserve Funds to prepay a portion of the October 1, 2025, mandatory sinking fund payment of the Series 2021 Bonds in the amount of \$20,000,000.

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%.

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 10/01/2023</i>	<i>Decreases & Retirements</i>	<i>Increases</i>	<i>Principal Balance 09/30/24</i>
<i>Series 2015</i>	\$ 50,330,000	\$ -	\$ -	\$ 50,330,000
<i>Series 2017</i>	39,230,000	24,135,000	-	15,095,000
<i>Series 2019</i>	345,825,000	1,845,000	-	343,980,000
<i>Series 2021</i>	57,420,000	20,000,000	-	37,420,000
Total Outstanding	492,805,000	45,980,000	-	446,825,000
Unamortized Premium	4,278,665	933,527	-	3,345,138
Revenue Bonds and Note Payable (Net)	\$ 497,083,665	\$ 46,913,527	\$ -	\$ 450,170,138

	<i>Principal Balance 10/01/2022</i>	<i>Decreases & 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
Total Outstanding	555,995,000	63,190,000	-	492,805,000
Unamortized Premium	5,212,192	933,527	-	4,278,665
Revenue Bonds and Note Payable (Net)	\$ 561,207,192	\$ 64,123,527	\$ -	\$ 497,083,665

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.

Solid Waste Authority of Palm Beach County, Debt Ratings at September 30,2024		
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 hdunkley@swa.org.

Sincerely,



Hugh Dunkley
Chief Financial Officer

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

STATEMENTS OF NET POSITION

September 30, 2024 and 2023

ASSETS

	09/30/2024	09/30/2023
CURRENT ASSETS		
Cash and cash equivalents	\$ 335,018,622	\$ 220,656,434
Accounts receivable, less allowance for doubtful accounts of \$408,048 for 2024 and \$177,611 for 2023	11,151,900	10,613,707
Accrued interest receivable	436,633	244,969
Lease receivable	335,392	324,295
Due from Palm Beach County	2,953,481	2,617,915
Due from other Governments	-	636,673
Inventory	3,110,914	2,904,938
Prepaid expenses	4,235,876	4,367,044
	357,242,818	242,365,975
Restricted assets:		
Cash and cash equivalents	136,767,684	158,785,140
Accrued interest receivable	801,293	1,102,836
	137,568,977	159,887,976
TOTAL CURRENT ASSETS	494,811,795	402,253,951
NONCURRENT ASSETS		
Restricted assets:		
Cash and cash equivalents	67,567,371	113,321,350
Capital assets:		
Land	50,626,126	50,626,126
Buildings	762,670,765	762,534,899
Improvements other than buildings	172,464,306	172,007,325
Equipment	765,280,731	761,574,583
Construction in progress	-	146,716
Right to use leased assets - property	2,240,908	2,240,908
Right to use leased assets - equipment	372,902	275,105
	1,753,655,738	1,749,405,662
Less accumulated depreciation	923,100,518	867,330,179
Less accumulated amortization - leased assets	543,516	619,629
	830,011,704	881,455,854
Other assets		
Lease receivable	3,088,463	3,423,855
Security deposits	33,803	33,803
TOTAL NONCURRENT ASSETS	900,701,341	998,234,862
TOTAL ASSETS	\$ 1,395,513,136	\$ 1,400,488,813

DEFERRED OUTFLOWS OF RESOURCES

DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	\$ 8,611,243	\$ 9,098,800
OPEB related items	324,072	344,000
TOTAL DEFERRED OUTFLOWS OF RESOURCES	\$ 8,935,315	\$ 9,442,800

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

STATEMENTS OF NET POSITION

September 30, 2024 and 2023

LIABILITIES

	<u>09/30/2024</u>	<u>09/30/2023</u>
CURRENT LIABILITIES		
Accounts payable	\$ 17,551,945	\$ 14,488,314
Accrued payroll and related liabilities	2,189,790	2,259,074
Accrued insurance claims payable	222,300	367,084
Accrued interest payable	72,437	74,632
Due to Palm Beach County	7,464	9,685
Due to other Governments	-	1,224,693
Current portion of advance capacity payment	2,981,260	2,981,260
Lease liability	167,668	115,277
Other current liabilities	121,275	117,609
	<u>23,314,139</u>	<u>21,637,628</u>
 Current liabilities payable from restricted assets		
Accounts payable	2,757,583	4,136,545
Customer deposits	1,129,535	1,287,865
Accrued interest payable	6,775,081	7,162,573
Current maturities of revenue bonds payable	34,825,000	25,980,000
	<u>45,487,199</u>	<u>38,566,983</u>
TOTAL CURRENT LIABILITIES	<u>68,801,338</u>	<u>60,204,611</u>
 NONCURRENT LIABILITIES		
Other postemployment benefits obligation	675,462	644,000
Compensated absences payable	5,587,401	5,717,686
Net pension liability	39,784,131	40,898,945
Accrued landfill closure and postclosure care costs payable from restricted assets	46,794,414	49,991,002
Advance capacity payment	26,210,245	29,191,505
Lease liability	1,962,453	1,809,589
Revenue bonds payable	415,345,138	471,103,665
TOTAL NONCURRENT LIABILITIES	<u>536,359,244</u>	<u>599,356,392</u>
 TOTAL LIABILITIES	<u>\$ 605,160,582</u>	<u>\$ 659,561,003</u>
 DEFERRED INFLOWS OF RESOURCES		
 DEFERRED INFLOWS OF RESOURCES		
Pension related items	\$ 4,186,490	\$ 2,285,824
OPEB related items	200,373	247,000
Leases	3,260,935	3,626,253
Deferred gain on bond refunding, net	5,349,547	6,185,916
	<u>12,997,345</u>	<u>12,344,993</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 12,997,345</u>	<u>\$ 12,344,993</u>
 NET POSITION		
Net investment in capital assets	\$ 411,011,050	\$ 433,375,480
Restricted by bond covenants for		
Debt Service	34,813,035	26,000,533
Capital improvements	55,955,540	65,325,749
Operating reserve	35,864,917	34,063,054
Unrestricted	248,645,982	179,260,801
TOTAL NET POSITION	<u>\$ 786,290,524</u>	<u>\$ 738,025,617</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, 2024 and 2023

	<u>09/30/2024</u>	<u>09/30/2023</u>
Operating revenues		
Assessments	\$ 237,211,949	\$ 230,073,663
Tipping fees	68,930,516	62,587,114
Electric generation	49,362,189	49,154,125
Recycling income	14,729,554	11,105,521
Franchise fees	2,205,977	2,171,151
Other Revenue	33,376	4,780
	<u>372,473,561</u>	<u>355,096,354</u>
Operating expenses		
Franchise hauler contract payments	58,404,473	56,604,609
Contract payments to plant operators	90,916,664	85,653,131
Personnel services	55,062,599	56,860,117
Depreciation and amortization	62,622,709	61,697,591
Landsite expenses	19,582,262	10,492,649
Contractual services	21,771,935	21,737,732
Repairs and maintenance	6,323,812	5,426,200
Other expenses	25,402,670	24,167,888
	<u>340,087,124</u>	<u>322,639,917</u>
OPERATING INCOME	32,386,437	32,456,437
Non-operating revenues (expenses)		
Interest and dividend income	25,838,539	20,867,615
Miscellaneous income	553,405	569,613
Grant income	-	280,313
Gain/(loss) on disposition of capital assets	969,458	1,593,948
Interest expense	(11,482,932)	(12,150,454)
	<u>15,878,470</u>	<u>11,161,035</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	48,264,907	43,617,472
Capital contributions	-	-
INCREASE (DECREASE) IN NET POSITION	48,264,907	43,617,472
NET POSITION AT BEGINNING OF YEAR	<u>738,025,617</u>	<u>694,408,145</u>
NET POSITION AT END OF YEAR	<u><u>\$ 786,290,524</u></u>	<u><u>\$ 738,025,617</u></u>

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, 2024 and 2023

	09/30/2024	09/30/2023
Cash flows from operating activities:		
Cash received from assessments	\$ 235,045,593	\$ 227,966,913
Cash received from customers	129,471,953	121,366,337
Cash received from Palm Beach County	4,273,106	4,160,453
Cash received from others	220,910	170,254
Cash paid to suppliers and contractors	(219,238,844)	(199,916,636)
Cash paid to employees	(53,983,996)	(49,761,343)
Cash paid to Palm Beach County for goods and services	(5,102,031)	(5,101,273)
Net cash provided by operating activities	90,686,691	98,884,705
Cash flows from non-capital financing activities		
Grant revenues received	636,673	16,464
Net cash used by non-capital financing activities	636,673	16,464
Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(12,193,121)	(9,287,221)
Proceeds from the sale of capital assets	977,958	1,611,210
Payment for early extinguishment of debt	(20,000,000)	(15,000,000)
Principal paid on outstanding revenue bonds	(25,980,000)	(48,190,000)
Interest paid on revenue bonds and other obligations	(13,557,293)	(14,340,166)
Payments received on leasing activities	324,295	313,561
Interest received on leasing activities	112,445	121,851
Payments paid on leasing activities	(167,647)	(176,292)
Interest paid on leasing activities	(85,221)	(82,213)
Net cash used for capital and related financing activities	(70,568,584)	(85,029,270)
Cash flows from investing activities		
Interest received on investments	25,835,973	20,073,103
Net cash provided by investing activities	25,835,973	20,073,103
Net increase in cash and cash equivalents	46,590,753	33,945,002
Cash and cash equivalents - beginning	492,762,924	458,817,922
Cash and cash equivalents - ending	\$ 539,353,677	\$ 492,762,924
Cash and cash equivalents - Unrestricted	\$ 335,018,622	\$ 220,656,434
Restricted cash and cash equivalents - current	136,767,684	158,785,140
Restricted cash and cash equivalents - noncurrent	67,567,371	113,321,350
	\$ 539,353,677	\$ 492,762,924

(Continued)

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

STATEMENTS OF CASH FLOWS

**For the Fiscal Years Ended September 30, 2024 and 2023
(Continued)**

	<u>09/30/2024</u>	<u>09/30/2023</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income	\$ 32,386,437	\$ 32,456,437
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization	62,622,709	61,697,591
Provision for doubtful accounts	230,437	16,703
Miscellaneous income	553,405	569,613
Change in net pension liability and related deferred amounts	1,273,409	6,779,572
Lease adjustments	(365,317)	(365,317)
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	(768,630)	745,573
(Increase) decrease in due from Palm Beach County	(335,566)	(148,844)
(Increase) decrease in due from other government	-	483,677
(Increase) decrease in inventory	(205,976)	(63,661)
(Increase) decrease in prepaid expenses	131,168	(524,447)
Increase (decrease) in accounts payable	1,838,938	2,693,025
Increase (decrease) in accrued payroll and related liabilities	(146,490)	34,621
Increase (decrease) in accrued insurance claims payable	(144,784)	81,484
Increase (decrease) in due to Palm Beach County	(2,221)	(23,672)
Increase (decrease) in advance capacity payment	(2,981,260)	(2,981,260)
Increase (decrease) in other current liabilities	3,666	(33,830)
Increase (decrease) in customer deposits	(158,330)	149,140
Increase (decrease) in other post employment benefits obligation	4,763	(26,000)
Increase (decrease) in accrued compensated absences	(53,079)	310,581
Increase (decrease) in accrued landfill closure and postclosure care costs	<u>(3,196,588)</u>	<u>(2,966,281)</u>
Total adjustments	<u>58,300,254</u>	<u>66,428,268</u>
Net cash provided by operating activities	<u><u>\$ 90,686,691</u></u>	<u><u>\$ 98,884,705</u></u>
 Supplemental disclosure of noncash capital and related financing activities		
Amortization of premium on bonds	\$ (933,527)	\$ (933,527)
Amortization of advance refunding loss on bonds	<u><u>\$ (836,369)</u></u>	<u><u>\$ (913,994)</u></u>

See notes to the financial statements

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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, 2024 and 2023

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, 2024 and 2023

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 with 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, 2024 and 2023

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 2024 and 2023 was \$2,981,260. The amount to be earned in 2025 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, 2024 and 2023

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, 2024:

- 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 were implemented in the current year.
- 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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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. 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.
- GASB Statement No. 103, *Financial Reporting Model Improvements*. The requirements of this Statement will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement is effective for the fiscal year ending September 30, 2026.
- GASB Statement No. 104, *Disclosure of Certain Capital Assets*. The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. This Statement is effective for the fiscal year ending September 30, 2026.

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.

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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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, 2024 and 2023:

	2024	2023
Bank balance of deposits with financial institutions (including customer deposits)	\$ 33,922,140	\$ 24,698,905
Carrying value		
Deposits with financial institutions	\$ 32,146,989	\$ 24,773,192
Petty cash and cash drawers	8,400	8,400
Money market mutual funds	222,804,960	237,087,659
Florida Prime	284,393,328	230,893,673
Total cash and cash equivalents	\$ 539,353,677	\$ 492,762,924

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.

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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE B - CASH AND INVESTMENTS (Continued)

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.

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:

- 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, 2024 and 2023 are as follows:

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE B - CASH AND INVESTMENTS (Continued)

Investments (Continued)

	September 30, 2024	
	Weighted Average Maturity	Fair Value
Investments Reported at Amortized Cost:		
Cash equivalents:		
Money market mutual funds	90 days or less	\$ 222,804,960
Florida Prime	39 days	284,393,328
Total Investments		\$ 507,198,288
	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	230,893,673
Total Investments		\$ 467,981,332

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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE B - CASH AND INVESTMENTS (Continued)

Credit Risk (Continued)

The credit quality ratings of the investments held at September 30, 2024 and 2023 are as follows:

	September 30, 2024		
	Credit Quality Ratings		
	S&P Rating	Moody's Rating	Fair Value
Investments:			
Money market mutual funds	AAAm	Aaa-mf	\$ 222,804,960
Florida Prime	AAAm	Not Rated	284,393,328
Total Investments			\$ 507,198,288
	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

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, 2024 and 2023. At September 30, 2024 and 2023 certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

	September 30, 2024		September 30, 2023	
	Fair Value	Percentage of Total Investment Portfolio	Fair Value	Percentage of Total Investment Portfolio
Florida Prime	\$ 284,393,328	52.7%	\$ 230,893,673	46.9%
Money market mutual funds				
Dreyfus Government	164,162,095	30.4%	146,352,146	29.7%
Fidelity Government	58,642,865	10.9%	90,735,513	18.4%

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE B - CASH AND INVESTMENTS (Continued)

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, 2024 and 2023.

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable and the related allowance for doubtful accounts at September 30, 2024 and 2023 are summarized as follows:

<u>September 30, 2024</u>	<u>Gross Accounts Receivable</u>	<u>Allowance For Doubtful Accounts</u>	<u>Net Accounts Receivable</u>
Tipping fees	\$ 5,214,974	\$ (193,378)	\$ 5,021,596
Electric generation	3,796,306	-	3,796,306
Recycling	1,060,366	(214,670)	845,696
Miscellaneous	1,488,302	-	1,488,302
	<u>\$ 11,559,948</u>	<u>\$ (408,048)</u>	<u>\$ 11,151,900</u>
<u>September 30, 2023</u>	<u>Gross Accounts Receivable</u>	<u>Allowance For Doubtful Accounts</u>	<u>Net Accounts Receivable</u>
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
	<u>\$ 10,791,318</u>	<u>\$ (177,611)</u>	<u>\$ 10,613,707</u>

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE D - RESTRICTED ASSETS

Restricted assets consist of the following amounts at September 30, 2024 and 2023, held in the various accounts established by the Authority's bond documents:

September 30, 2024	Cash, Cash Equivalents and Investments	Accrued Interest Receivable	Total
Operating Account			
Customer deposits	\$ 1,129,535	\$ -	\$ 1,129,535
Debt Service Accounts			
Debt Service Reserve	67,567,371	273,286	67,840,657
Interest Account	6,602,756	26,386	6,629,142
Principal Account	34,825,000	133,974	34,958,974
Operating Reserve Account	35,693,187	171,730	35,864,917
Renewal and Replacement			
Reserve Account	35,747,775	105,593	35,853,368
Capital Improvement Account	22,769,431	90,324	22,859,755
	<u>\$ 204,335,055</u>	<u>\$ 801,293</u>	<u>\$ 205,136,348</u>
September 30, 2023	Cash, Cash Equivalents and Investments	Accrued Interest Receivable	Total
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, 2024 and 2023

NOTE E - CAPITAL ASSETS

The changes in capital assets of the Authority for the years ending September 30, 2024 and 2023 are summarized as follows:

	September 30, 2024			Ending Balance
	Beginning Balance	Increases	Decreases	
Capital assets not being depreciated and amortized				
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Construction in progress	146,716	36,679	(183,395)	-
Total capital assets not being depreciated and amortized	<u>50,772,842</u>	<u>36,679</u>	<u>(183,395)</u>	<u>50,626,126</u>
Capital assets being depreciated and amortized				
Buildings	762,534,899	135,866	-	762,670,765
Improvements other than buildings	172,007,325	456,981	-	172,464,306
Equipment	761,574,583	10,368,024	(6,661,876)	765,280,731
Leased assets – property	2,240,908	-	-	2,240,908
Leased assets – equipment	275,105	372,902	(275,105)	372,902
Total capital assets being depreciated and amortized	<u>1,698,632,820</u>	<u>11,333,773</u>	<u>(6,936,981)</u>	<u>1,703,029,612</u>
Total capital assets	<u>1,749,405,662</u>	<u>11,370,452</u>	<u>(7,120,376)</u>	<u>1,753,655,738</u>
Less accumulated depreciation and amortization				
Buildings	(414,926,563)	(26,336,756)	-	(441,263,319)
Improvements other than buildings	(103,989,386)	(6,289,038)	-	(110,278,424)
Equipment	(348,414,230)	(29,797,923)	6,653,378	(371,558,775)
Leased assets – property	(365,686)	(121,895)	-	(487,581)
Leased assets – equipment	(253,943)	(77,097)	275,105	(55,935)
Total accumulated depreciation and amortization	<u>(867,949,808)</u>	<u>(62,622,709)</u>	<u>6,928,483</u>	<u>(923,644,034)</u>
Total capital assets being depreciated and amortized, net	<u>830,683,012</u>	<u>(51,288,936)</u>	<u>(8,498)</u>	<u>779,385,578</u>
Capital assets, net	<u>\$ 881,455,854</u>	<u>\$ (51,252,257)</u>	<u>\$ (191,893)</u>	<u>\$ 830,011,704</u>

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE E - CAPITAL ASSETS (Continued)

	September 30, 2023			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, 2024 and 2023

NOTE F - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Authority operated one active landfill site for the years ended September 30, 2024 and 2023. 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, 2024 and 2023, are as follows:

	2024	2023
Accrued closure and postclosure care costs	\$ 46,794,414	\$ 49,991,002
Accrued postclosure care for closed landfills	-	-
Total accrued landfill closure costs	\$ 46,794,414	\$ 49,991,002

The \$46,794,414 and \$49,991,002 of accrued closure and postclosure care liabilities at September 30, 2024 and 2023, respectively, represent the cumulative cost based on the use of 48.8% and 47.5% of the estimated capacity of the operating landfill. The Authority will recognize the remaining estimated cost of closure and postclosure care of approximately \$86.0 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 2024. Based on current demographic information and engineering estimates of landfill consumption, the Authority expects to close the landfill in approximately 2057. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Authority was 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. At September 30, 2023, the Authority was in compliance with the statutory requirement escrow account balance of \$39,973,240, and at September 30, 2023, cash and cash equivalents of \$45,753,979 were held for these purposes. These amounts are reported as noncurrent restricted assets in the statement of net position in fiscal year 2023. However, in March of 2024 the Authority elected to submit alternate proof of financial assurance for fiscal year 2023 and subsequent years, which relieved the restriction on the escrow account in 2024.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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; 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 \$1.2 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, 2024, 2023, and 2022, 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
2024	\$ 355,800	\$ (105,695)	\$ (27,805)	\$ 222,300
2023	285,600	514,550	(444,350)	355,800
2022	679,000	(325,822)	(67,578)	285,600

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE H - REVENUE BONDS PAYABLE

Revenue bonds payable by the Authority at September 30, 2024 and 2023, are summarized as follows:

	2024	2023
Direct Placement Revenue Bonds		
Series 2021	\$ 37,420,000	\$ 57,420,000
Series 2019	343,980,000	345,825,000
Revenue Bonds		
Series 2017	15,095,000	39,230,000
Series 2015	50,330,000	50,330,000
Unamortized premium	3,345,138	4,278,665
Net revenue bonds payable	450,170,138	497,083,665
Less current maturities	(34,825,000)	(25,980,000)
Revenue bonds payable, long-term portion	\$ 415,345,138	\$ 471,103,665

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
2025	0.67%	\$ 17,820,000	\$ 190,902	\$ 18,010,902
2026	0.67	19,600,000	65,620	19,665,620
		\$ 37,420,000	\$ 256,522	\$ 37,676,522

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. On June 25, 2024, the Authority used approximately \$20.0 million of available Authority monies to call and retire \$20,000,000 of Series 2021 Refunding Revenue Bonds with a scheduled maturity date of October 1, 2025.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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%.

Interest on the Series 2019 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, 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
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	1,015,344	71,525,344
		<u>\$ 343,980,000</u>	<u>\$ 52,445,808</u>	<u>\$ 396,425,808</u>

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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 1st and October 1st and principal payments are due on October 1st, 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
2025	2.64%	\$ 15,095,000	\$ 198,952	\$ 15,293,952

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.

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

Year Ending September 30,	Interest Rate	Principal	Interest	Total
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>\$ 7,934,750</u>	<u>\$ 58,264,750</u>

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE H - REVENUE BONDS PAYABLE (Continued)

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, and debt service reserve account)	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.
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.

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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE H - REVENUE BONDS PAYABLE (Continued)

Legal Requirements (Continued)

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.

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

Year Ending September 30,	Revenue Bonds		
	Principal	Interest	Total
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
	\$ 65,425,000	\$ 8,133,702	\$ 73,558,702

Year Ending September 30,	Series 2021 and Series 2019 Refunding Revenue Bonds Direct Placement		
	Principal	Interest	Total
2025	\$ 19,730,000	\$ 10,070,022	\$ 29,800,022
2026	21,580,000	9,888,724	31,468,724
2027	39,875,000	9,220,392	49,095,392
2028	46,700,000	7,973,712	54,673,712
2029	49,390,000	6,590,016	55,980,016
2030-2032	204,125,000	8,959,464	213,084,464
	\$ 381,400,000	\$ 52,702,330	\$ 434,102,330

Interest Expense: Total interest costs incurred on all Authority debt for the years ended September 30, 2024 and 2023 were \$11,717,555 and \$12,707,575, respectively. For the years ended September 30, 2024 and 2023, net interest costs (net of interest revenue on construction funds of \$317,650 and \$635,979 in 2024 and 2023, respectively) and \$11,399,905 and \$12,071,596, respectively, were expensed.

Defeased Bonds: As of September 30, 2024, no defeased bonds remain outstanding.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE I - CHANGES IN NONCURRENT LIABILITIES

Changes in long-term debt for the years ended September 30, 2024 and 2023 are summarized as follows:

September 30, 2024	Balance at Beginning of Year	Increases	Decreases and Retirements	Balance at End of Year	Amounts Due Within One Year
Compensated absences	\$ 6,236,568	\$ 3,493,778	\$ (3,546,857)	\$ 6,183,489	\$ 596,088
Lease liability	1,924,866	372,902	(167,647)	2,130,121	167,668
Net pension liability	40,898,945	-	(1,114,814)	39,784,131	-
Total other postemployment liability	644,000	117,089	(85,627)	675,462	-
Advanced capacity payment payment	32,172,765	-	(2,981,260)	29,191,505	2,981,260
Landfill closure and postclosure care costs	49,991,002	-	(3,196,588)	46,794,414	-
Notes and bonds from direct borrowings and placements					
Revenue Bond, Series 2019	345,825,000	-	(1,845,000)	343,980,000	1,910,000
Revenue Bond, Series 2021	57,420,000	-	(20,000,000)	37,420,000	17,820,000
Revenue bonds					
Series 2017	39,230,000	-	(24,135,000)	15,095,000	15,095,000
Series 2015	50,330,000	-	-	50,330,000	-
	<u>\$ 624,673,146</u>	<u>\$ 3,983,769</u>	<u>\$ (57,072,793)</u>	571,584,122	<u>\$ 38,570,016</u>
Unamortized premium				3,345,138	
Current maturities				<u>(38,570,016)</u>	
Net long-term liabilities				<u>\$ 536,359,244</u>	
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, 2024 and 2023

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, 2024 and 2023:

September 30, 2024	Restricted Assets	Liabilities Payable From Restricted Assets	Unspent Debt Proceeds	Restricted Net Position
Operating Account				
Customer Deposits	\$ 1,129,535	\$ 1,129,535	\$ -	\$ -
Debt Service Accounts	109,428,773	6,775,081	67,840,657	34,813,035
Operating Reserve Account	35,864,917	-	-	35,864,917
Renewal and Replacement				
Reserve Account	35,853,368	2,705,780	-	33,147,588
Capital Improvement Account	22,859,755	51,803	-	22,807,952
	<u>\$205,136,348</u>	<u>\$ 10,662,199</u>	<u>\$ 67,840,657</u>	<u>\$126,633,492</u>
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.

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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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 2024 and 2023, 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.

NOTE L - RELATED PARTY TRANSACTIONS

The Authority is a component unit of Palm Beach County, Florida. For the years ended September 30, 2024 and 2023 the Authority billed various departments of the County for assessments of \$2,166,356 and \$2,106,750, respectively; tipping and other fees of \$2,125,905 and \$1,873,174, respectively. The Authority billed no capital contributions to Palm Beach County in 2024 and billed no capital contributions to Palm Beach County in 2023. At September 30, 2024, there were no capital contributions due from Palm Beach County and there were no capital contributions due from Palm Beach County at September 30, 2023. In addition, the Authority received \$754,066 and \$617,959 during 2024 and 2023, 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, 2024 and 2023 include charges of \$1,665,975 and \$2,118,424, 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 \$2,751,908 and \$2,249,147 at September 30, 2023 and 2022, respectively. In addition, Palm Beach County billed the Authority for various other materials and contractual services totaling \$3,299,842 and \$3,179,101 for the years ended September 30, 2024 and 2023, respectively. At September 30, 2024 and 2023, \$2,953,481 and \$2,617,915, respectively, was due from Palm Beach County for Tax Collector rebates, assessments, tipping fees and other charges, and \$7,464 and \$9,685, 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 \$750 thousand at September 30, 2024 and \$1.0 million at September 30, 2023. 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, 2024 and 2023, the carrying value of the golf course property and improvements was approximately \$4.0 million and \$4.5 million, respectively. The lease is for a period of 25 years and expires in December 2024.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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).

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, 2024, the Authority’s OPEB liability of \$675,462 was measured as of September 30, 2024 and was determined by the actuarial valuation as of December 1, 2023. 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.

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
SEPTEMBER 30, 2024 and 2023

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Methods (Continued)

September 30, 2024

Valuation date	December 1, 2023
Measurement date	September 30, 2024
Discount Rate	3.88%
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
SEPTEMBER 30, 2024 and 2023

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
SEPTEMBER 30, 2024 and 2023

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, 2024, the calculation used a rate of 3.88%. As of September 30, 2023, the calculation used a rate of 4.63%.

Changes in the Total OPEB Liability

September 30, 2024	Total OPEB Liability
Balance at September 30, 2023	\$ 644,000
Changes for the Year:	
Service Cost	40,038
Interest Cost	28,548
Experience Losses/(Gains)	32,229
Changes of Assumptions or Other Inputs	16,274
Benefit Payments	(85,627)
Net Change in Total OPEB Liability	\$ 31,462
Balance at September 30, 2024	\$ 675,462
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

Changes in Assumptions: As of September 30, 2024, all assumptions, methods, and results are based on the fiscal year 2023 GASB 75 actuarial report dated January 30, 2024. There were no significant changes to the assumptions since the actuarial report dated January 30, 2024 except the discount rate, which decreased from 4.63% to 3.88%.

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:

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in Assumptions (Continued)

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

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 (2.88%) or 1-percentage-point higher (4.88%) then the current discount rate at September 30, 2024:

	1.0% Decrease (2.88%)	Discount Rate (3.88%)	1.0% Increase (4.88%)
Total OPEB Liability	\$ 695,732	\$ 675,462	\$ 652,497

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:

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

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, 2024:

	1.0% Decrease (6.50% decreasing to 3.04%)	Healthcare cost Trend Rates (7.50% decreasing to 4.04%)	1.0% Increase (8.50% decreasing to 5.04%)
Total OPEB Liability	\$ 614,940	\$ 675,462	\$ 744,547

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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 (6.50% decreasing to 3.04%) or 1-percentage-point higher (8.50% decreasing to 5.04%) than the current healthcare cost trend rates at September 30, 2023:

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

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

For the year ended September 30, 2024, the Authority recognized OPEB expense of \$90,629. At September 30, 2024, 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	\$ 124,315	\$ 165,937
Changes of Assumptions/Inputs	199,757	34,436
Total	\$ 324,072	\$ 200,373

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

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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, 2025	\$	22,043	
September 30, 2026		22,043	
September 30, 2027		22,043	
September 30, 2028		21,203	
September 30, 2029		29,332	
Thereafter		7,035	
	\$	123,699	

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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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, 2024 and 2023

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, 2024 and 2023 were as follows:

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

Pension Plan (Continued)

Contributions (Continued)

Class	10/01/22 through 06/30/23	07/01/23 through 06/30/24	07/01/24 through 09/30/24
Regular Class	11.91%	13.57%	13.63%
Senior Management Service Class	31.57%	34.52%	34.52%
Special Risk Class	27.83%	32.67%	32.79%
DROP	18.60%	21.13%	21.13%

The employer contribution rates include a 1.66% HIS Plan subsidy for the period October 1, 2022 through July 1, 2023 and a rate of 2.00% for the period July 1, 2023 through September 30, 2024. 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, 2022 through September 30, 2024.

For the fiscal year ended September 30, 2024, the Authority made contributions of \$3,816,136 to the Pension Plan and \$3,308,685 for the fiscal year ended September 30, 2023.

Pension Liabilities and Pension Expense: At September 30, 2024, the Authority reported a liability of \$27,844,022 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Authority's proportionate share of the net pension liability was based on the Authority's 2023-24 plan year contributions relative to the 2023-24 plan year contributions of all participating members. At June 30, 2024, the Authority's proportionate share was 0.071976824 percent, which was an increase of 0.000779040 percent from its proportionate share measured as of June 30, 2023.

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.

For the fiscal year ended September 30, 2024 and 2023, the Authority recognized pension expense of \$4,645,293 and \$6,243,172, respectively, related to the Plan.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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, 2024		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 2,812,994	\$
Change of assumptions	3,816,278	
Net difference between projected and actual earnings on Pension Plan investments		1,850,658
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	1,063,860	612,487
Pension Plan contributions subsequent to the measurement date	172,760	
Total	\$ 7,865,892	\$ 2,463,145

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

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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, 2024, totaling \$172,760 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, 2025. 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, was recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. 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
2025	\$ (25,593)
2026	4,756,179
2027	212,107
2028	20,822
2029	266,472
Thereafter	<u>\$ 5,229,987</u>

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

	September 30, 2024	September 30, 2023
Valuation date	July 1, 2024	July 1, 2023
Measurement date	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Salary increases	3.50%, 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-2021	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, 2024, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2018 through June 30, 2023. 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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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, 2024				
Description	(1) Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.1%
Fixed Income	29.0%	5.7%	5.6%	3.9%
Global Equity	45.0%	8.6%	7.0%	18.2%
Real Estate	12.0%	8.1%	6.8%	16.6%
Private Equity	11.0%	12.4%	8.8%	28.4%
Strategic Investments	2.0%	6.6%	6.2%	8.7%
Total	100%			
Assumed Inflation - Mean			2.4%	1.5%

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

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

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

Pension Plan (Continued)

Discount Rate: The discount rate used to measure the total pension liability at September 30, 2024 and 2023 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, 2024:

	<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>\$ 48,976,657</u>	<u>\$ 27,844,022</u>	<u>\$ 10,140,955</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, 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>

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, 2024, the Authority had a \$341,414 payable for outstanding contributions to the Pension Plan for the fiscal year ended September 30, 2024. 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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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, 2024 and 2023, 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, 2024 and 2023, 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 \$679,592 for the fiscal year ended September 30, 2024 and \$559,792 for the fiscal year ended September 30, 2023.

Pension Liabilities and Pension Expense: At September 30, 2024, the Authority reported a liability of \$11,940,109 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2024. The Authority's proportionate share of the net pension liability was based on the Authority's 2023-24 plan year contributions relative to the 2023-24 plan year contributions of all participating members. At June 30, 2024, the Authority's proportionate share was 0.079595545 percent, which was an increase of 0.000704928 percent from its proportionate share measured as of June 30, 2023.

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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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, 2024 and 2023, the Authority recognized pension expense of \$508,472 and \$4,701,208, 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, 2024		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 115,290	\$ 22,927
Change of assumptions	211,312	1,413,556
Net difference between projected and actual earnings on Pension Plan investments		4,318
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	238,004	282,544
Pension Plan contributions subsequent to the measurement date	180,745	
Total	\$ 745,351	\$ 1,723,345

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

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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, 2024, totaling \$180,745 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, 2025. 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, was recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2024. 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
2025	\$ (161,751)
2026	(221,322)
2027	(361,453)
2028	(265,610)
2029	(119,621)
Thereafter	(28,982)
	<u>\$ (1,158,739)</u>

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

	September 30, 2024	September 30, 2023
Valuation date	July 1, 2024	July 1, 2022
Measurement date	June 30, 2024	June 30, 2023
Inflation	2.40%	2.40%
Salary increases	3.50%, average, including inflation	3.25%, average, including inflation
Municipal bond rate	3.93%	3.65%
Long-term expected rate of return	N/A	N/A
Mortality	Generational PUB-2010 with Projection Scale MP-2021	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, 2024, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2018 through June 30, 2023. 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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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, 2024 and 2023 was 3.93% and 3.65%, 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 3.93%, 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 (2.93%) or one percentage point higher (4.93%) than the current rate at September 30, 2024:

	1% Decrease (2.93%)	Current Discount Rate (3.93%)	1% Increase (4.93%)
Proportionate share of the net pension liability	\$ 13,592,280	\$ 11,940,109	\$ 10,568,541

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:

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

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, 2024, the Authority had \$51,646 payable for outstanding contributions to the HIS Plan for the fiscal year ended September 30, 2024. 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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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, 2024.

Description	Pension Plan	HIS Plan	Total
Proportionate share of total pension liability	\$ 170,851,595	\$ 12,542,469	\$ 183,394,064
Proportionate share of plan fiduciary net position	143,007,573	602,360	143,609,933
Proportionate share of net pension liability	27,844,022	11,940,109	39,784,131
Proportionate share of deferred outflows of resources	7,865,892	745,351	8,611,243
Proportionate share of deferred inflows of resources	2,463,145	1,723,345	4,186,490
Pension expense	4,645,293	508,472	5,153,765

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

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, 2024 and 2023

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, 2022 through September 30, 2024, 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, 2024 and 2023, are as follows:

Class	10/01/22 through 06/30/23	07/01/23 through 06/30/24	07/01/24 through 09/30/24
Regular Class	11.91%	13.57%	13.63%
Senior Management Service Class	31.57%	34.52%	34.52%
Special Risk Class	27.83%	32.67%	32.79%
DROP	18.60%	21.13%	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, 2024 and 2023, 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, 2024 and 2023, the Authority’s Investment Plan pension expense totaled \$806,028 and \$698,100, respectively.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

NOTE O - MAJOR CUSTOMERS

Waste Management of Palm Beach accounted for 15.0% and 14.1% of 2024 and 2023 tipping fee revenues, respectively. Waste Pro of Florida accounted for 7.2% and 7.8% of 2024 and 2023 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 \$10.4 million at September 30, 2024.

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, 2032.

The Authority paid \$2,604,418 and \$2,528,561 for 2024 and 2023, respectively. The Authority is required to pay \$2,682,550 under the new agreement for the fiscal year ending September 30, 2025. The amount due each year can increase up to 3% per year.

NOTE Q - LEASES

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 and ending in December 2023. The discount rate was 4% using the Authority's estimated incremental borrowing rate. The Authority entered into multiple new lease agreements with Canon Solutions America to lease various equipment. The lease agreements have an initial term of 60 months paid monthly with a starting date January 2024. 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, 2024 and 2023

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).

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, 2024 are as follows:

Year Ending September 30,	Principal	Interest	Total
2025	\$ 167,668	\$ 83,641	\$ 251,309
2026	170,643	76,876	247,519
2027	164,780	70,281	235,061
2028	171,428	63,633	235,061
2029	115,914	57,544	173,458
2030-2034	538,039	226,581	764,620
2035-2039	654,606	110,014	764,620
2040	147,043	5,881	152,924
	<u>\$ 2,130,121</u>	<u>\$ 694,451</u>	<u>\$ 2,824,572</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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2024 and 2023

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.

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, 2023, the Authority recognized \$365,317 in lease revenue and \$112,445 in interest revenue related to leases. For the year ending September 30, 2024, the Authority recognized \$365,317 in lease revenue and \$102,716 in interest revenue related to leases.

The Authority’s consolidated annual lease requirements to term as of September 30, 2024 are as follows:

Year Ending September 30,	Principal	Interest	Total
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	383,646	60,357	444,003
2030-2034	1,059,024	167,817	1,226,841
2035-2038	569,233	40,497	609,730
	\$ 3,423,855	\$ 617,775	\$ 4,041,630

**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>	<u>2024</u>
Total OPEB liability							
Service cost	\$ 21,000	\$ 22,000	\$ 28,000	\$ 30,000	\$ 42,000	\$ 33,000	\$ 40,038
Interest cost	30,000	28,000	18,000	17,000	13,000	24,000	28,548
Difference between expected & actual experience	-	-	(206,000)	-	(87,000)	89,000	32,229
Changes of assumptions and other inputs	(11,000)	26,000	336,000	1,000	(49,000)	25,000	16,274
Benefit payments	<u>(79,000)</u>	<u>(96,000)</u>	<u>(93,000)</u>	<u>(63,000)</u>	<u>(103,000)</u>	<u>(98,000)</u>	<u>(85,627)</u>
Net change in total OPEB liability	(39,000)	(20,000)	83,000	(15,000)	(184,000)	73,000	31,462
Total OPEB liability, beginning of year	<u>746,000</u>	<u>707,000</u>	<u>687,000</u>	<u>770,000</u>	<u>755,000</u>	<u>571,000</u>	<u>644,000</u>
Total OPEB liability, end of year	<u>\$ 707,000</u>	<u>\$ 687,000</u>	<u>\$ 770,000</u>	<u>\$ 755,000</u>	<u>\$ 571,000</u>	<u>\$ 644,000</u>	<u>\$ 675,462</u>
Covered-employee payroll	\$23,959,000	\$25,841,000	\$26,199,000	\$27,218,216	\$27,904,563	\$29,171,140	\$31,128,307
Total OPEB liability as a percentage of covered-employee payroll	2.95%	2.66%	2.94%	2.77%	2.05%	2.21%	2.17%

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 - The discount rate was 4.18% in 2018; 2.66% in 2019; 2.21% in 2020; 2.19% in 2021; 4.40% in 2022; 4.63% in 2023; 3.88% in 2024. The 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 in 2023. 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 in 2022. The 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 relaced by a bill in December 2019; there were significant changes to the retirement and termination assumptions based on the 2020 FRS actuarial valuation in 2020.

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required FRS contribution	\$ 1,426,153	\$ 1,429,340	\$ 1,570,296	\$ 1,717,280	\$ 1,903,110
FRS contributions in relation to the contractually required contribution	<u>(1,426,153)</u>	<u>(1,429,340)</u>	<u>(1,570,296)</u>	<u>(1,717,280)</u>	<u>(1,903,110)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 20,091,083	\$ 21,051,861	\$ 22,024,734	\$ 22,823,877	\$ 23,834,076
FRS contributions as a percentage of covered payroll	7.10%	6.79%	7.13%	7.52%	7.98%
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required FRS contribution	\$ 2,186,868	\$ 2,788,809	\$ 2,879,011	\$ 3,308,685	\$ 3,816,136
FRS contributions in relation to the contractually required contribution	<u>(2,186,868)</u>	<u>(2,788,809)</u>	<u>(2,879,011)</u>	<u>(3,308,685)</u>	<u>(3,816,136)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 24,883,857	\$ 26,432,730	\$ 25,238,228	\$ 26,272,136	\$ 27,685,181
FRS contributions as a percentage of covered payroll	8.79%	10.55%	11.41%	12.59%	13.78%

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Proportion of the FRS net pension liability	0.0626365%	0.0648132%	0.0635171%	0.0636583%	0.0644148%
Proportionate share of the FRS net pension liability	\$ 8,090,343	\$ 16,365,396	\$ 18,787,926	\$ 19,174,210	\$ 22,183,563
Authority's covered payroll	\$ 19,555,196	\$ 21,647,567	\$ 21,795,240	\$ 22,671,421	\$ 23,546,088
Authority's proportionate share of the FRS net pension liability as a percentage of covered payroll	41.37%	75.60%	86.20%	84.57%	94.21%
FRS Plan fiduciary net position as a percentage of the total pension liability	92.00%	84.88%	83.89%	84.26%	82.61%
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Proportion of the FRS net pension liability	0.0669098%	0.0750208%	0.0738004%	0.0711978%	0.0719768%
Proportionate share of the FRS net pension liability	\$ 28,999,693	\$ 5,666,969	\$ 27,459,669	\$ 28,370,063	\$ 27,844,022
Authority's covered payroll	\$ 24,654,558	\$ 25,444,717	\$ 25,385,048	\$ 25,786,960	\$ 27,394,165
Authority's proportionate share of the FRS net pension liability as a percentage of covered payroll	117.62%	22.27%	108.17%	110.02%	101.64%
FRS Plan fiduciary net position as a percentage of the total pension liability	78.85%	96.40%	82.89%	82.38%	83.70%

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 changed 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; remained 6.70% in 2024. 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. The mortality assumption was changed from Scale MP-2018 to Scale MP-2021 in 2024. The Salary increases was changed from 3.25% to 3.50% in 2024.

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Contractually required HIS contribution	\$ 310,975	\$ 396,210	\$ 415,575	\$ 427,278	\$ 448,920
HIS contributions in relation to the contractually required contribution	<u>(310,975)</u>	<u>(396,210)</u>	<u>(415,575)</u>	<u>(427,278)</u>	<u>(448,920)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 22,716,328	\$ 23,868,058	\$ 25,034,650	\$ 25,739,685	\$ 27,043,385
HIS contributions as a percentage of covered payroll	1.37%	1.66%	1.66%	1.66%	1.66%
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Contractually required HIS contribution	\$ 474,046	\$ 505,610	\$ 496,879	\$ 559,792	\$ 679,592
HIS contributions in relation to the contractually required contribution	<u>(474,046)</u>	<u>(505,610)</u>	<u>(496,879)</u>	<u>(559,792)</u>	<u>(679,592)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 28,556,970	\$ 30,458,468	\$ 29,932,457	\$ 31,952,658	\$ 33,979,623
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	1.75%	2.00%

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Proportion of the HIS net pension liability	0.0739556%	0.0795028%	0.0776703%	0.0784037%	0.0797253%
Proportionate share of the HIS net pension liability	\$ 7,542,309	\$ 9,265,726	\$ 8,304,865	\$ 8,298,340	\$ 8,920,460
Authority's covered payroll	\$ 22,436,802	\$ 24,543,064	\$ 24,772,565	\$ 25,608,028	\$ 26,663,556
Authority's proportionate share of the HIS net pension liability as a percentage of it covered payroll	33.62%	37.75%	33.52%	32.41%	33.46%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.50%	0.97%	1.64%	2.15%	2.63%
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Proportion of the HIS net pension liability	0.0813023%	0.0828142%	0.0815705%	0.0788906%	0.0795955%
Proportionate share of the HIS net pension liability	\$ 9,926,884	\$ 10,158,401	\$ 8,639,622	\$ 12,528,882	\$ 11,940,109
Authority's covered payroll	\$ 28,213,241	\$ 29,322,513	\$ 29,750,795	\$ 31,258,955	\$ 33,585,350
Authority's proportionate share of the HIS net pension liability as a percentage of it covered payroll	35.19%	34.64%	29.04%	40.08%	35.55%
HIS Plan fiduciary net position as a percentage of the total pension liability	3.00%	3.56%	4.81%	4.12%	4.80%

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 changed from 3.80% in 2015 to 2.85% in 2016; 3.58% in 2017; 3.87% in 2018; 3.50% in 2019; 2.21% in 2020; 2.16% in 2021; 3.54% in 2022; 3.65% in 2023; 3.93% in 2024. 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. The mortality assumption was changed from Scale MP-2018 to Scale MP-2021 in 2024. The Salary increases was changed from 3.25% to 3.50% in 2024.

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.

Contents	Page
Financial Trends.....	67
<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	70
<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.....	80
<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.....	83
<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	85
<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>		
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
2024	411,011,050	34,813,035	55,955,540	35,864,917	248,645,982	786,290,524

Source: Authority financial records.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

CHANGES IN NET POSITION

Last Ten Fiscal Years

	Fiscal Years Ended September 30,			
	2015	2016	2017	2018
Operating revenues				
Assessments	\$196,645,513	\$191,653,425	\$191,553,915	\$197,454,060
Tipping fees	35,222,136	40,066,074	42,246,994	42,952,820
Electric generation	25,606,784	37,548,144	37,960,547	39,538,930
Recycling income	9,767,381	8,419,940	11,080,401	8,720,428
Franchise fees	1,281,758	1,253,400	1,259,435	1,338,711
Compost fees	-	-	-	-
Other revenues	497,155	314,198	284,450	2,348,557
	<u>269,020,727</u>	<u>279,255,181</u>	<u>284,385,742</u>	<u>292,353,506</u>
Operating expenses				
Franchise hauler contract payments	33,701,772	33,307,461	34,151,678	34,843,659
Contract payments to plant operators	57,174,102	63,709,248	65,678,893	67,781,566
Personal services	33,630,134	37,868,445	40,543,773	40,551,925
Depreciation and amortization	42,154,314	67,469,826	70,849,791	65,735,367
Landsite expenses	4,091,016	3,769,780	5,895,936	7,427,393
Contractual services	13,377,465	11,880,816	17,041,246	45,900,272
Repairs and maintenance	4,458,768	4,275,953	4,063,044	4,607,034
Other expenses	15,724,400	16,332,680	16,817,239	16,843,399
	<u>204,311,971</u>	<u>238,614,209</u>	<u>255,041,600</u>	<u>283,690,615</u>
OPERATING INCOME	64,708,756	40,640,972	29,344,142	8,662,891
Nonoperating revenues (expenses)				
Grant income	-	-	1,341,298	19,584,021
Investment income	897,341	1,384,183	2,745,310	6,230,702
Miscellaneous income	426,400	443,109	511,444	342,576
Gain (loss) on disposal of capital assets	803,786	2,134,952	802,976	1,422,402
Loss on extinguishment of debt	(1,107,616)	(8,683,762)	-	-
Interest expense	(23,411,800)	(43,092,089)	(38,739,607)	(34,256,745)
Other expense	-	-	-	-
	<u>(22,391,889)</u>	<u>(47,813,607)</u>	<u>(33,338,579)</u>	<u>(6,677,044)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	42,316,867	(7,172,635)	(3,994,437)	1,985,847
Capital contributions	-	-	-	300,564
INCREASE (DECREASE) IN NET POSITION	<u>\$42,316,867</u>	<u>(\$7,172,635)</u>	<u>(\$3,994,437)</u>	<u>\$2,286,411</u>

Source: Authority financial records.

Fiscal Years Ended September 30,

2019	2020	2021	2022	2023	2024
\$203,681,416	\$209,959,356	\$207,815,611	\$214,321,185	\$230,073,663	\$237,211,949
47,194,333	49,009,905	54,113,666	57,158,116	62,587,114	68,930,516
43,621,461	40,393,171	48,401,495	55,317,955	49,154,125	49,362,189
8,131,321	8,609,874	16,093,160	18,461,053	11,105,521	14,729,554
1,490,997	1,904,940	1,839,638	2,206,670	2,171,151	2,205,977
-	-	-	-	-	-
286,308	52,789	31,454	258,781	4,780	33,376
304,405,836	309,930,035	328,295,024	347,723,760	355,096,354	372,473,561
42,101,202	48,063,110	48,988,776	52,647,615	56,604,609	58,404,473
71,167,005	72,970,449	77,303,254	83,138,699	85,653,131	90,916,664
45,766,109	48,587,908	43,496,162	47,389,897	56,860,117	55,062,599
66,532,810	62,681,112	62,083,943	65,669,216	61,697,591	62,622,709
5,604,347	4,833,151	6,185,428	15,841,218	10,492,649	19,582,262
13,265,101	15,039,740	16,575,657	16,774,027	21,737,732	21,771,935
4,267,797	4,945,588	4,902,838	4,655,109	5,426,200	6,323,812
17,992,510	17,348,790	19,541,642	22,357,517	24,167,888	25,402,670
266,696,881	274,469,848	279,077,700	308,473,298	322,639,917	340,087,124
37,708,955	35,460,187	49,217,324	39,250,462	32,456,437	32,386,437
17,003,773	8,497	-	-	280,313	-
14,501,402	12,200,067	8,889,084	3,163,737	20,867,615	25,838,539
580,754	468,028	423,281	614,381	569,613	553,405
927,182	1,001,471	1,278,760	(932,935)	1,593,948	969,458
(320,070)	(535,173)	-	-	-	-
(39,619,843)	(42,454,923)	(39,280,227)	(12,858,433)	(12,150,454)	(11,482,932)
-	-	(197,916)	-	-	-
(6,926,802)	(29,312,033)	(28,887,018)	(10,013,250)	11,161,035	15,878,470
30,782,153	6,148,154	20,330,306	29,237,212	43,617,472	48,264,907
824,916	-	51,175	-	-	-
<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>	<u>\$48,264,907</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>
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
2024	188.00	103.00	179.00

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
0.075	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
0.083	0.215	1.184	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
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
2024	281	354	194	197	371	273

Source: Authority financial records.

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
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
2024	148	124	96	95	284	123

Source: Authority financial records.

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>
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
2024	235,011,974	237,219,320	100.94	105,321	237,324,641	100.98

Source: Authority financial records.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

TEN LARGEST ASSESSMENT PAYERS

Current Year and Nine Years Ago

Customer Name	2024			2015		
	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	\$ 384,262	1	0.16 %	\$ 419,135	1	0.21 %
Costco Wholesale Corp	277,888	2	0.12			
Panthers BRHC, LTD./ Boca Owner LLC	273,192	3	0.12	283,296	2	0.14
Town Center at Boca Raton	250,245	4	0.11	243,028	3	0.12
United Aircraft Corp/ Raytheon Technologies Corp	223,749	5	0.09	213,360	4	0.11
AZ Palm Beach FL	215,100	6	0.09			
Garden Venture LLC	197,646	7	0.08	191,050	7	0.10
Land Resources Investment	194,093	8	0.08	191,796	6	0.10
TJ Palm Beach Assoc. LTD./ TM Wellington Green Mall LP	188,067	9	0.08	197,075	5	0.10
JFK Medical Center Limited Partnership	177,282	10	0.07			
Downtown at the Gardens Assoc.				181,330	8	0.09
Breakers Palm Beach, Inc.				169,150	10	0.09
GLL Real Estate Partners/ Gll US Retail LP				175,599	9	0.09
	<u>\$ 2,381,524</u>		<u>1.00 %</u>	<u>\$ 2,264,819</u>		<u>1.15 %</u>

Source: Authority financial records.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

TIPPING FEE RATES

Last Ten Fiscal Years

Type of Waste (1)	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Garbage and trash										
Commercial	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42
Out-of-County	153	143	137	141	136	138	137	137	142	148
Building / land clearing	45	45	45	48	52	52	55	60	60	65
Construction debris recycling residue	21	25	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	35	35	35	35	55	75	100	100	100
Whole truck	190	190	190	190	190	190	190	190	190	190
Shredded	25	10	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	15	15	15	15	15	15	15	25	25	25
Vegetation	25	25	25	25	30	30	32	35	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	4	4	4	10	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)
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
2024	(2) 1,140,419	1,154,405	2,294,824	1.4	101,428	(1.1)	42.00	65.00

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

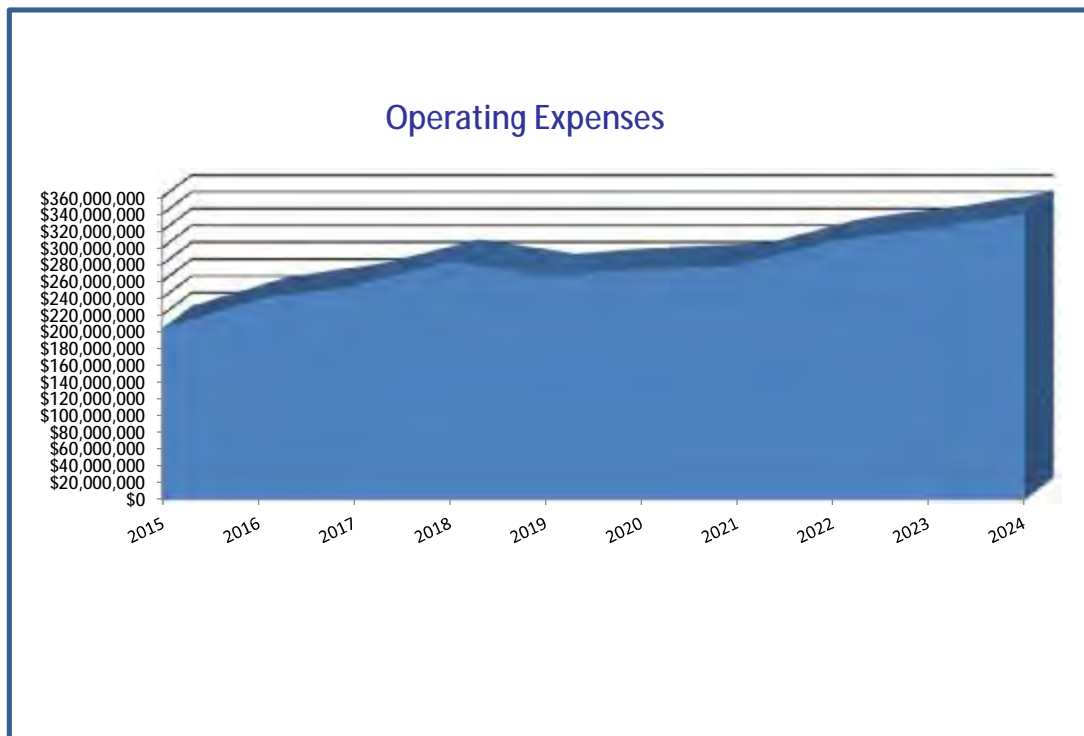
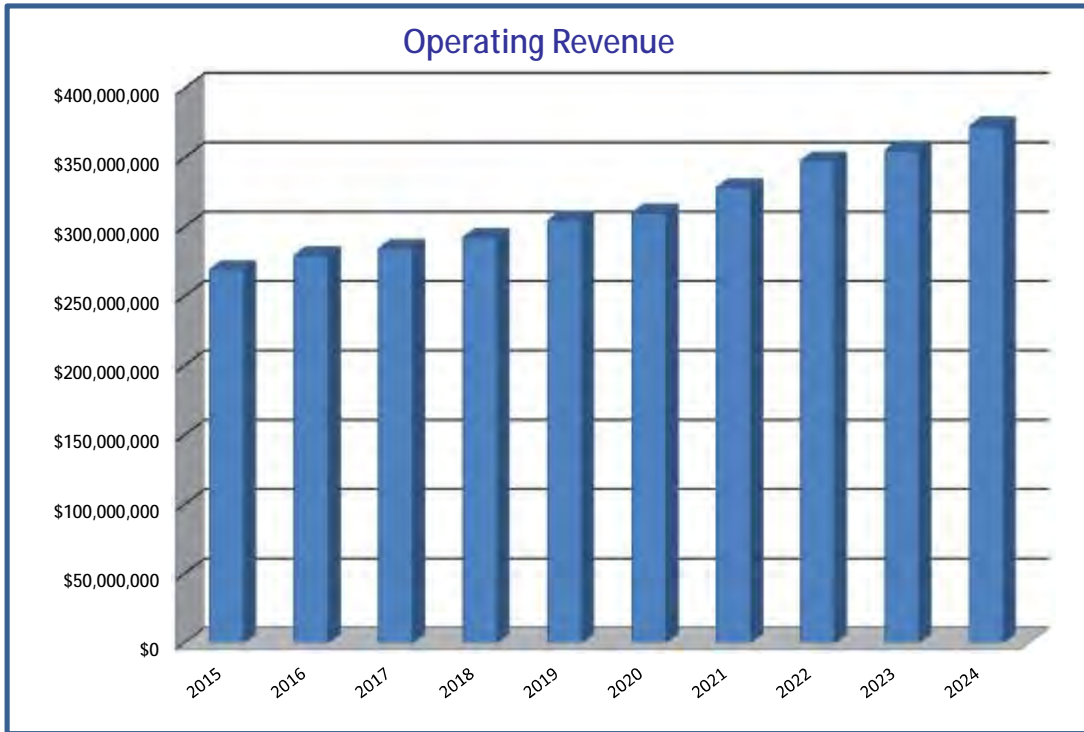
	2024			2015		
	<u>Tipping Fee Revenue</u>	<u>Rank</u>	<u>Percentage of Total Tipping Fee Revenue</u>	<u>Tipping Fee Revenue</u>	<u>Rank</u>	<u>Percentage of Total Tipping Fee Revenue</u>
Waste Management of Palm Beach	\$ 10,144,088	1	15.0 %	\$ 4,703,025	1	13.4 %
Waste Pro of FL Inc	4,878,321	2	7.2	1,494,835	6	4.3
West Palm Beach Utilities Dept	3,470,663	3	5.1	2,949,849	2	8.4
City of Boynton Beach	2,193,164	4	3.2	1,641,714	5	4.7
The Goode Companies, Inc	1,805,602	5	2.7			
West Palm Beach City of Public Works	1,779,726	6	2.6			
South Central Regional WWTD	1,661,218	7	2.5	1,039,699	9	3.0
Palm Beach County Utilities	1,632,263	8	2.4			
FCC Environmental Services FL, LLC	1,329,639	9	2.0			
Waste Management of Martin County	1,200,144	10	1.8	1,658,192	4	4.7
Advance Disposal/Southern Waste Systems				1,068,567	7	3.0
Sun Recycling				2,802,736	3	8.0
Republic Services				1,063,191	8	3.0
Southern Waste System				939,589	10	2.7
	<u>\$ 30,094,828</u>		<u>44.5 %</u>	<u>\$ 19,361,397</u>		<u>55.2 %</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
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
2024	446,825,000	-	2,130,121	3,345,138	-	452,300,259	0.25%	292.23

Source: Authority financial records.

Note: The Authority has no limit on total debt, but must comply with the revenue bond coverage requirement on page 81.

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
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
2024	311,620,401	196,904,276	114,716,125	47,963,552	-	2.39	2.39

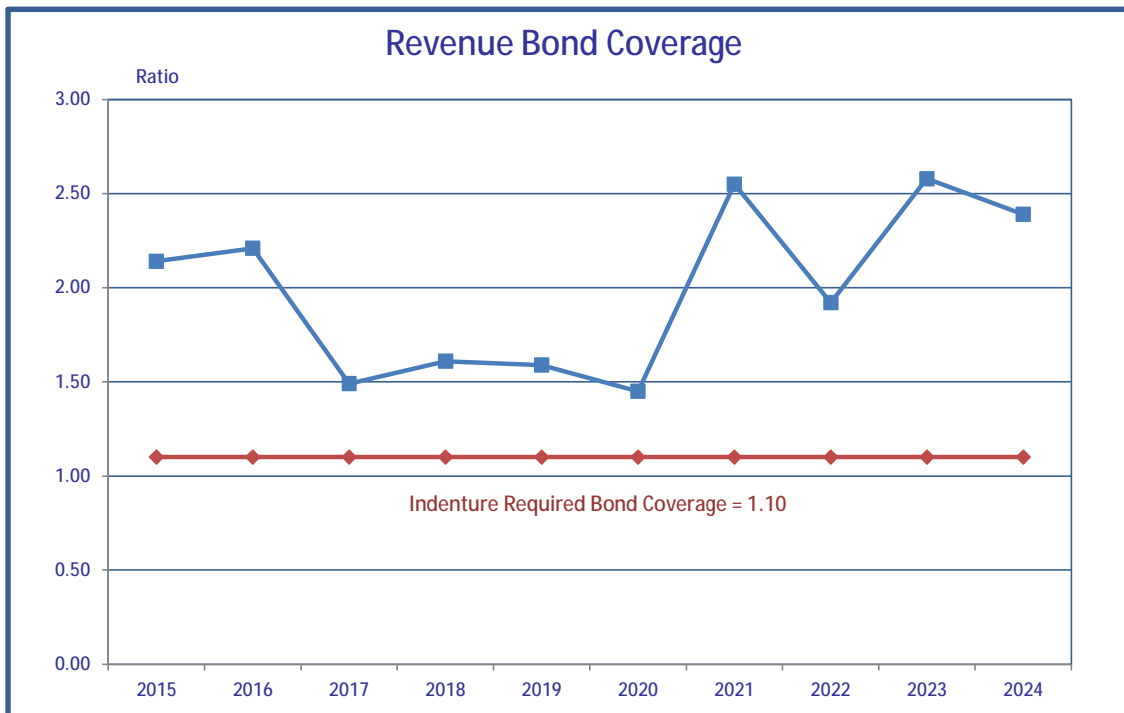
- (1) Revenues are calculated in accordance with the legal requirements of the bond documents, which define revenues as total revenues from the use of the Solid Waste System, excluding certain collection assessments and franchise fees for unincorporated areas of the County and including investment earnings 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
- (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>
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%
2024	1,547,735	181,368,666	117,183	45.3	N/A	191,553	3.8%

Data Sources:

- (1) Population data for 2015 through 2023 is from the Business Development Board of Palm Beach County. Population data for 2024 is from the World Population Review.
- (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	2024			2015		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board	22,218	1	2.9 %	22,000	1	3.4 %
Palm Beach County	12,367	2	1.6	5,507	3	0.8
Florida Atlantic University	6,335	3	0.8	2,655	6	0.4
Tenet HealthCare Corp.	5,734	4	0.8	6,100	2	0.9
FPL (NextEra Energy) Headquarters	5,598	5	0.7	3,854	4	0.6
Baptist Health South Florida	3,135	6	0.4			
Veterans Health Administration	2,948	7	0.4	2,500	8	0.4
Hospital Corp. Of America	2,612	8	0.3	2,714	5	0.4
Jupiter Medical Center	2,540	9	0.3	2,000	10	0.3
The Breakers	2,300	10	0.3			
Bethesda Health, Inc.				2,600	7	0.4
Boca Raton Regional Hospital				2,500	9	0.4
	<u>65,787</u>		<u>8.5 %</u>	<u>52,430</u>		<u>8.0 %</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>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>	<u>2024</u>
Office of the Executive Director	7	7	7	36	36	9	9	9	9	9
Administration*	52	52	55	-	-	-	-	-	-	-
Finance	77	77	78	78	83	85	87	87	85	85
Engineering & Public Works	18	18	18	31	32	55	53	53	54	54
Operations	<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>	<u>282</u>
Total	<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>	<u><u>430</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, 2024

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>
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
2024							

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Operating Indicators				
Number of personnel				
Waste to energy facility (1)	4	4	4	4
Transfer stations	126	126	126	126
Landfill operations	32	31	31	31
Recycling (1)	15	15	15	15
Workload Indicators				
Tons of Waste processed (net of unprocessed)				
Waste to energy facility	1,230,986	1,722,169	1,745,253	1,713,718
Landfill materials	796,753	712,038	614,134	673,767
Recyclable materials	98,616	95,798	90,291	92,345
Cubic yards of landfill space				
Used during the year	553,719	299,675	305,172 *	442,759
Available at end of year	28,019,657	27,825,245	24,998,533	24,681,879
Estimated remaining life in years	32	33	33	33
Effectiveness Indicators				
Percentage of days that environmental standards were met				
Waste to energy facility	100%	100%	98%	100%
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	40	14	9	3
Other facilities	3	8	8	1

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.

2019	2020	2021	2022	2023	2024
4	4	4	4	3	4
131	129	128	128	136	141
27	27	28	25	26	27
15	15	15	15	15	11
1,813,788	1,813,664	1,771,009	1,756,120	1,798,277	1,740,396
620,161	625,562	689,248	718,338	712,915	674,278
98,403	111,093	110,054	105,429	102,552	101,428
435,967	367,509	408,398	650,460	458,991	682,625
27,294,377	26,926,868	26,518,470	25,868,010	25,464,905	24,782,280
32	34	33	32	31	33
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	-
6	8	29	11	36	33
2	1	1	2	1	-

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

OPERATING INDICATORS (Continued)

Last Ten Fiscal Years

Efficiency Indicators	2015	2016	2017	2018
Percentage of waste reduction to total tons of waste received by				
Waste to energy facility - REF#1	52.42%	61.24%	60.50%	60.48%
Waste to energy facility - REF#2	72.40%	70.48%	74.41%	75.11%
Recycling (2)	72.03%	71.71%	70.00%	65.00%

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.

2019	2020	2021	2022	2023	2024
60.34%	60.12%	59.84%	56.84%	58.73%	65.47%
76.11% *	76.58%	74.74%	73.78%	73.81%	73.10%
73.14%	74.41%	77.80%	80.24%	N/A	N/A

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

MISCELLANEOUS STATISTICS

September 30, 2024

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, 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
January 1, 2024	514,083,273,824

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, 2024
Unaudited**

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

Required Information		Reported
The total number of Authority employees compensated in the last pay period of the Authority's fiscal year 2024:		409
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year 2024:		298
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for fiscal year 2024:		\$ 34,441,205
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for fiscal year 2024:		\$ 216,890,846
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 2024, together with the total expenditures for such project:		
Project	Budget	Expenditures
See detailed schedule on page 94	\$ 39,378,820	\$ 20,026,735
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 95

(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, 2024

**Unaudited
(Continued)**

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

Detailed Schedule of Projects		
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 2024, together with the total expenditures for such project:		
Project	Budget	Expenditures
Asset Replacement	\$ 5,005,000	\$ 51,332
HHW Replace Steel Drop-Off Cabinets at each TS HCRC	100,000	-
PBREP ISW System Upgrade	1,640,937	1,127,473
Replacement of Industrial Supply Wells & Equipment	954,708	698,574
Final Closure of Class III	5,000,000	28,779
Landfill Escrow Requirement	7,000,000	-
Admin Bldg Create New Office Space	100,000	1,195,425
Compost Facility Demolition	100,000	1,151,287
Closure of Class I Landfill Cells 5-10	3,000,000	1,489,693
Class I Cell 25 & 26 Expansion	1,000,000	237,248
Electrical Distribution Analysis for BPF and RMPF	300,000	110,526
Dyer Park Improvements	650,000	170,946
Central County Transfer Station Tip Floor Rehabilitation	1,500,000	970,867
Transfer Station Tipping Floor Repair	500,000	281,292
Central County Transfer Station Equipment Bypass Road	150,000	-
South County Transfer Station Hopper Curb Replacement	200,000	-
Landfill Leachate Forcemain Evaluation	200,000	-
PBREF#1 Roof Replacement Water Treatment Building	200,000	-
Facilities/Utilities 6527 Replace AC Units	127,000	183,395
LED Lighting Upgrades For Various Facilities	70,000	28,885
Asphalt Repairs	200,000	455,957
Building Management System for for all SWA buildings	100,000	87,910
Transfer Stations electrical conduit replacements	120,000	21,870
Scale Deck replacements	120,000	427,808
North County Transfer Station Walls Refurbishment	120,000	56,872
SWCTS/SCTS Lighting	300,000	290,061
CCTS Lift Station Refurbishment	120,000	108,502
NC/WC TS scale house metal curbs replacement	75,000	39,572
SC Hopper metal Repairs	150,000	33,320
Replace the Interactive Touchtable in PBREF#2 Education Center	695,000	-
ISW System Improvements	150,000	-
Leachate Collection System Cleaning & Inspection	350,000	3,043,188
Leachate Force Main System Improvements and Refurbishments	250,000	-
LFG Systems Expansion & Maintenance	200,000	2,447,580
Upgrade & Maintenance of High Voltage Power Dist	100,000	310,178
Non-potable Water Supply Upgrades	350,000	-
Valve Replacement	75,000	-
SCADA System Upgrades	570,000	255,629
IWS Maintenance and Upgrades includes rehabilitation of IW1 & IW2	130,000	271,095
High Voltage Underground Feeder Replacement	150,000	1,708,575
Manhole Rehabilitation	250,000	-
Replace all Under Ground Storage Tanks	2,000,000	34,908
Lift Station Repairs	195,000	-
LFG Collection System Installation & Upgrades to Cells in Class 1 & 3	2,200,000	1,093,638
Design & Install Fume Extraction Booth	100,000	60,000
Additional Industrial Supply Wells & Equipment	424,175	243,412
GIS-ASSET MGMT/ORDER SYS	200,000	510,480
Fire Smoke Monitoring System (REF#1)	750,000	479,061
PBREF#2 Fire Protection System	550,000	-
GPS System for Bulldozers and Landfill Compactors	225,000	116,740
Grounds Equipment	75,000	45,000
Tractor/Tanker - Water Tanker	215,000	-
SCADA/Instrumentation & Control Vehicle	72,000	159,657
Total	\$ 39,378,820	\$ 20,026,735

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

OTHER INFORMATION - BUDGET VARIANCE REPORT

**For the Fiscal Year Ended September 30, 2024
Unaudited**

	Original (Final) Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Assessments	\$ 237,902,031	\$ 237,211,949	\$ (690,082)
Tipping fees	53,179,414	68,930,516	15,751,102
Electric generation	45,068,988	49,362,189	4,293,201
Recycling income	8,660,910	14,729,554	6,068,644
Franchise fees	1,924,374	2,205,977	281,603
Interest and dividend income	7,500,000	25,838,539	18,338,539
Other Revenue	841,257	1,556,239	714,982
	<u>\$ 355,076,974</u>	<u>\$ 399,834,963</u>	<u>\$ 44,757,989</u>
Expenses			
Franchise hauler contract payments	\$ 62,827,516	\$ 58,404,473	\$ 4,423,043
Contract payments to plant operators	102,782,191	90,916,664	11,865,527
Personnel services	55,020,545	55,062,599 *	(42,054)
Landsite expenses	29,959,487	19,582,262	10,377,225
Contractual services	27,384,439	21,771,935	5,612,504
Repairs and maintenance	7,748,596	6,323,812	1,424,784
Debt service expense	48,130,953	59,537,293	(11,406,340)
Other expenses	21,223,347	25,402,670	(4,179,323)
	<u>\$ 355,077,074</u>	<u>\$ 337,001,708</u>	<u>\$ 18,075,366</u>

* Includes an accrual for the Authority's share of the Florida Retirement Systems' (FRS) unfunded

**COMPLIANCE REPORTS AND
MANAGEMENT LETTER**



NOWLEN, HOLT & MINER, P.A.

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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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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, 2024, 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 10, 2025.

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 10, 2025



NOWLEN, HOLT & MINER, P.A.

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

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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, 2024, and have issued our report thereon dated February 10, 2025.

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, which are dated February 10, 2025, 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, 2024.

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.

Property Assessed Clean Energy (PACE) Programs

A PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the Authority's geographical boundaries during the fiscal year under audit.

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 2024 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 fraud, waste, or abuse, that has occurred or is likely to have occurred, that has 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)7., Rules of the Auditor General, the Authority reported the required information in the Other Information Section on pages 93 through 95.

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, 2024. 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 & Mimer, P.A.

West Palm Beach, Florida
February 10, 2025



NOWLEN, HOLT & MINER, P.A.

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

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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, 2024. 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, 2024.

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 10, 2025