AUCILLA AREA SOLID WASTE ADMINISTRATION
FINANCIAL REPORT
For the Fiscal Year Ended September 30, 2025

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Powell and Jones CPA

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Board of the
Aucilla Area Solid Waste Administration
Greenville, Florida

Opinions

We have audited the accompanying financial statements of the major fund of the Aucilla Area Solid Waste Administration, (the Administration) as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Administration'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 financial position of the Administration, as of September 30, 2025, and the changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter – Compensated Absences

As discussed in Note 15 to the financial statements, the Aucilla Area Solid Waste Administration adopted Governmental Accounting Standards Board Statement No. 101, Compensated Absences, during the year ended September 30, 2025. As a result, beginning net position was restated to properly recognize and measure liabilities for compensated absences in accordance with the new guidance. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with 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 Administration's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Administration'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 Administration's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of net pension liability, and schedule of contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 29, 2026, on our consideration of the Administration's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Administration's internal control over financial reporting and compliance.

Powell and Jones CPA
Lake City, Florida
May 29, 2026

AUCILLA AREA SOLID WASTE ADMINISTRATION
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the Fiscal Years Ended September 30, 2025 and 2024

This section of Aucilla Area Solid Waste Administration's (the Administration) annual financial report presents our discussion and analysis of the Administration's financial performance during the fiscal years ended September 30, 2025 and 2024. Please read it in conjunction with the Administration's financial statements and accompanying notes.

This annual financial report consists of four main parts. The financial section contains the auditors report, management's discussion and analysis, and the basic financial statements. The required supplementary information section contains certain required pension schedules. The other information section contains a voluntarily disclosed budgetary comparison schedule. The other reports and letters section contains various compliance related reports and letters from our auditors.

The Administration is a self-supporting entity and follows proprietary fund reporting; accordingly, the financial statements are presented on the accrual basis of accounting.

The following table summarizes the statements of net position as of September 30, 2025 and 2024:

Statements of Net Position

	2025	2024 Restated
ssets		
Current assets	$ 12,534,749	$ 9,769,040
Restricted assets	11,184,490	10,622,560
Fixed assets	12,282,947	13,022,176
otal Assets	36,002,186	33,413,776
eferred Outflows of Resources	110,277	128,405
iabilities		
Current liabilities	511,722	1,127,043
Long-term liabilities	12,740,911	12,449,694
otal Liabilities	13,252,633	13,576,737
eferred Inflows of Resources	95,689	77,985
et Position		
Net investment in capital assets	8,386,759	8,822,858
Restricted	2,538,576	2,577,791
Unrestricted	11,838,806	8,486,810
otal Net Position	$ 22,764,141	$ 19,887,459

Net position may serve as a useful indicator of the Administration's financial position. Assets exceeded liabilities by $22.76 million and $19.89 million at the close of the fiscal years 2025 and 2024, respectively.

Administration resources that are subject to external restrictions on how they may be used represent $2,538,576 for fiscal year 2025 and $2,577,791 for fiscal year 2024. Such resources are restricted for landfill closure. The balance of unrestricted net position for fiscal years 2025 and 2024, $11.84 and $8.49 million, respectively, will be used for new cell construction, equipment and closure and post closure costs of existing cells in excess of the amounts escrowed. The Board has earmarked these funds to avoid future rate increases or the possibility of seeking funds from the member Counties.

The remaining balance of net assets is represented by capital assets. This component of net assets consists of capital assets net of accumulated depreciation.

The following table summarizes the changes in net position for the years ended September 30, 2025 and 2024:

	2025	2024 Restated
Operating revenues	$ 5,502,325	$ 4,207,173
Operating expenses	3,295,270	2,484,171
Operating income	2,207,055	1,723,002
Nonoperating revenues (expenses)	669,627	115,045
Change in net position	2,876,682	1,838,047
Net position - beginning	19,887,459	18,049,412
Net position - ending	$ 22,764,141	$ 19,887,459

Revenues and Expenses

Operating revenues for the fiscal year 2025 increased $1.14 million from the prior year, and operating expenses increased $210 thousand. The increase in operating expenses is primarily attributable to an increase in Personnel expense of $95.6 thousand due to increase in salary and overtime payments during the year.

Year over year there was a net increase in net position of approximately $2.88 million.

BASIC FINANCIAL STATEMENTS

AUCILLA AREA SOLID WASTE ADMINISTRATION
SOLID WASTE ENTERPRISE FUND
STATEMENT OF NET POSITION
September 30, 2025

ASSETS	
Current assets	
Cash and cash equivalents	$ 10,703,974
Investments	822,064
Accounts receivable - net	709,365
Due from other governments	277,847
Prepaid expenses	15,520
Accrued interest	5,979
Total current assets	12,534,749
Restricted assets	
Investments	11,184,490
Total restricted assets	11,184,490
Fixed assets	
Non-depreciable assets:	
Land	424,330
Depreciable assets:	
Landfill costs	17,754,707
Buildings, machinery and equipment	4,354,954
Less accumulated depreciation	(10,251,044)
Total fixed assets	12,282,947
Total assets	36,002,186
DEFERRED OUTFLOWS OF RESOURCES	110,277
LIABILITIES	
Current liabilities	
Accounts payable and accrued liabilities	87,470
Customer deposits	99,369
Accrued compensated absences, current	15,188
Note payable, current	309,695
Total current liabilities	511,722
Long-term liabilities	
Accrued compensated absences, net of current	135,081
Accrued closure and postclosure costs	8,645,914
Net pension liability	373,423
Note payable, net of current	3,586,493
Total long-term liabilities	12,740,911
Total liabilities	13,252,633
DEFERRED INFLOWS OF RESOURCES	95,689
NET POSITION	
Net investment in capital assets	8,386,759
Restricted for landfill closure	2,538,576
Unrestricted	11,838,806
Total net position	$ 22,764,141

See notes to financial statements.

AUCILLA SOLID WASTE ADMINISTRATION
SOLID WASTE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
For the Fiscal Year Ended September 30, 2025

Operating revenues		
Charges for services	$	5,421,734
Miscellaneous		80,591
Total operating revenues		5,502,325
Operating expenses		
Personnel services		742,584
Contracted services		353,492
Operating expenses		1,459,964
Depreciation		739,230
Total operating expenses		3,295,270
Operating income		2,207,055
Nonoperating revenues (expenses)		
Investment income		664,627
Gain (loss) on dispossition of capital assets		5,000
Total nonoperating revenues (expenses)		669,627
Change in net position		2,876,682
Total net position at beginning of year, restated		19,887,459
Total net position at end of year	$	22,764,141

See notes to financial statements.

AUCILLA AREA SOLID WASTE ADMINISTRATION
SOLID WASTE ENTERPRISE FUND
STATEMENT OF CASH FLOWS
For the Fiscal Year Ended September 30, 2025

Cash flows from operating activities		
Cash received from customers and others	$	5,290,122
Cash paid to employees for services		(734,854)
Cash paid for contracted services		(353,492)
Cash paid to suppliers for goods and services		(1,472,996)
Net cash provided by operating activities		2,728,780
Cash flows from non-capital related financing activities		
Due from other governments		(109,522)
Net cash used for non-capital related financing activities		(109,522)
Cash flows from capital and related financing activities		
Proceeds from sales of capital assets		5,000
Principal paid on debt		(303,130)
Net cash used for capital and related financing activities		(298,130)
Cash flows from investing activities		
Interest		55,367
Net cash used for investing activities		55,367
Net increase in cash		2,376,495
Cash and cash equivalents at beginning of year		8,327,479
Cash and cash equivalents at end of year	$	10,703,974
Reconciliation of operating income to net cash provided by operating activities:		
Operating income	$	2,207,055
Adjustments to reconcile increase in net position to net cash provided by operating activities:		
Depreciation		739,230
Decrease (increase) in assets:		
Accounts receivable		(227,503)
Prepaid expenses		(4,860)
Deferred outflows of resources		18,128
(Decrease) increase in liabilities:		
Accounts payable and accrued liabilities		(602,187)
Customer deposits		15,300
Compensated absences		14,033
Accrued closure and postclosure costs		601,145
Net pension liability		(49,265)
Deferred inflows of resources		17,704
Total adjustments		521,725
Net cash provided by operating activities	$	2,728,780

See notes to financial statements.

AUCILLA AREA SO LID WASTE ADMINISTRATION
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2025

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Aucilla Area Solid Waste Administration conform to generally accepted accounting principles for governmental entities. The following is a summary of significant accounting policies.

Reporting Entity

The Aucilla Area Solid Waste Administration is an organization established by an Interlocal agreement between Taylor County, Florida, Madison County, Florida, Jefferson County, Florida, and Dixie County, Florida. The purpose of this entity is to facilitate, through the collective effort of the counties involved, solid waste disposal through the establishment and operation of a joint solid waste disposal facility. The entity began accepting solid waste in December, 1992.

The governing board of this entity is composed of four County Commissioners, one representing each county. The Board elects its officers and manages the Aucilla Area Solid Waste Administration.

Fund Accounting

The Aucilla Area Solid Waste Administration's accounting records are organized and operated on a fund basis. A fund is defined as a fiscal and accounting entity, with a self-balancing set of accounts recording financial resources with all related liabilities, revenues and residual equities, or changed therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations.

Proprietary funds are used to account for activities similar to those found in the private sector where the determination of net income is necessary or useful to sound financial administration.

All of the Aucilla Area Solid Waste Administration's financial operations are accounted for in a single proprietary fund. The Administration has elected to apply applicable GASB statements as opposed to statements issued by the Financial Accounting Standards Board after November 30, 1989.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All proprietary-type funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of those funds are included in the statement of net position. The difference between the Administration's assets and its liabilities is its net position. Net position is presented in three components: invested in capital assets, net of related debt; restricted (distinguishing between major categories of restrictions); and unrestricted. Proprietary fund-type operating statements present increases (e.g. revenues) and decrease (e.g. expenses) in net position.

The accrual basis of accounting is utilized by proprietary-type funds. Under this method revenue is recognized when earned and expenses are recorded at the time liabilities are incurred.

Budgets are prepared on the relevant basis of accounting described for each fund. The Administration adopted a budget in September of 2024 for the fiscal year ending September 30, 2025.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing goods and services in connection with a proprietary fund's ongoing operations. The principal operating revenues of the Administration are charges to customers for dumping fees. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses. Nonoperating revenues and expenses are items such as investment income, gains and losses on investments, interest on short and long term borrowings and closure and post closure care expenses.

When both restricted and unrestricted resources are available for use, it is the Administration's policy to use restricted resources, as they are needed.

Accounting Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as applied to governmental units, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from the estimates.

A. **Cash and Investments** – Cash deposits are held by banks qualified as public depositories under Florida law. All deposits are insured by Federal depository insurance and collateralized with securities held in Florida's multiple financial institution collateral pool as required by Chapter 280, *Florida Statutes*.

Investments consist of amounts placed with Capital City Trust Company and the State Board of Administration for participation in the Florida PRIME investment pool created by Sections 218.405 and 218.417, *Florida Statutes*, and those made locally. The local investments operate under the guidelines established by Section 218.415, *Florida Statutes*. The Administration's investments in the Pool, which the State Board of Administration indicates is a Securities and Exchange Commission Rule 2a7-like external investment pool, as of September 30, 2025, are similar to money market funds in which shares are owned in the fund rather than the underlying investments. These investments are reported at fair value, which is amortized cost.

Investments made locally consist of certificates of deposit and are reported at fair value. Types and amounts of investments held at fiscal year-end are described in a subsequent note on investments.

For financing reporting purposes, investments are categorized to give an indication of the level of custodial credit risk assumed by the Administration at year-end. Category 1 includes investments that are insured or registered, or for which the securities are held by the Administration or its agent in the Administration's name. At year end all the Administration's investments were classified as Category 1.

Capital Assets

All capital assets owned by the Administration, are reflected at cost on the balance sheet.

Depreciation of capital assets is charged as an expense against operations. Accumulated depreciation is classified on the balance sheet as a contra-asset account. Depreciation has been calculated over the estimated useful life using the straight-line method. The relevant estimated useful lives are as follows:

Buildings	20-25 years
Equipment	3-10 years
Landfill Cost - Cell I	6 years
Landfill Cost - Cell II	10 years
Landfill Cost - Class III Cell	1 year
Landfill Cost - Leachate, Stormwater, Roadways, Engineering, etc.	42 years
Landfill - Mobilization, Site Prep, etc.	20 years

Capitalization of Interest

Interest is capitalized for assets constructed with tax-exempt debt. The amount of interest capitalized is calculated by offsetting interest expense incurred from the date of project completion with interest earned on the invested proceeds over the same period. No interest was capitalized in fiscal year ended September 30, 2025.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and investments with original maturities of ninety days or less.

Compensated Absences

Each employee may accumulate 12 to 20 vacation days, depending on years of service, and 12 days of sick leave per year. Employees are paid for 50% of their accumulated sick leave upon retirement but not upon other termination. Vacation leave may not exceed 30 working days on January 1 of each year.

Effective October 1, 2025, the Town implemented GASB Statement No. 101, Compensated Absences. Under GASB 101, liabilities for compensated absences are recognized for leave that has been earned and is more likely than not to be used or otherwise paid or settled. Management estimates that 100% of accumulated vacation leave and 75% of accumulated sick leave meet this criterion and are therefore included in the compensated absence liability.

The liability for compensated absences is reported as an accrued liability in the accompanying financial statements.

Encumbrances

The Administration does not use encumbrance accounting.

Operating Revenues

The Administration's statement of revenues, expenditures and changes in fund net position distinguishes between operating revenues and nonoperating revenues. Operating revenues result from exchange transactions associated with providing a solid waste disposal facility. Nonexchange revenues including grants and contributions received for purposes other than capital assets acquisitions are reported as nonoperating revenues.

Risk Management

The Administration is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruptions; errors and omissions; and natural disasters. Commercial insurance coverage is purchased for claims arising from such matters. Settled claims have not exceeded this commercial coverage in any of the three preceding years.

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government only has one item that qualifies for reporting in this category. It is the deferred charge on pensions in the government-wide statement of net position. Deferred outflows on pensions are recorded when actual earnings on pension plan investments exceed projected earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred outflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the Town's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan. Contributions to pension plans made subsequent to the measurement date are also deferred and reduce net pension liability in the subsequent year.

In addition to liabilities, the statement of financial position reports a separate section for deferred inflows or resources. This separate financial statement element, *deferred inflows of resources,* represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which is related to pensions. Deferred inflows on pension plan investments exceed actual earnings and are amortized to pension expense using a systematic and rational method over a closed five-year period. Deferred inflows on pensions also include the difference between expected and actual experience with regard to economic or demographic factors; changes of assumptions about future economic, demographic, or other input factors; or changes in the Town's proportionate share of net pension liability. These are amortized over the average expected remaining service lives of all employees that are provided with pensions through each pension plan.

Net Position

Net position comprises the various net earnings from operating income and nonoperating revenues and expenses. Net position is classified in the following components:

- Invested in capital assets, net of related debt—This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

- Restricted—This component of net position consists of constraints placed on net position use through external constraints 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 net position—This component of net position consists of net position that does not meet the definition of "restricted" or "invested in capital assets, net of related debt."

GASB Statement No. 101 – Compensated Absences

During the fiscal year ended September 30, 2025, the Administration implemented Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. GASB Statement No. 101 updates the recognition and measurement guidance for compensated absences and requires liabilities for leave that has not been used to be recognized when earned if the leave is attributable to services already rendered and is more likely than not to be used or otherwise paid or settled.

The implementation of GASB Statement No. 101 resulted in adjustments to the Administration's beginning net position to properly recognize compensated absences liabilities in accordance with the new standard. The effects of the implementation are reflected as prior period adjustments in the accompanying financial statements.

NOTE 2. DEPOSITS AND INVESTMENTS

1. Deposits

At September 30, 2025, the carrying amount of the Administration's bank deposits was $10,704,272. All deposits with financial institutions were 100% insured by federal depository insurance or by collateral provided by qualified public depositories to the State Treasurer pursuant to the Public Depository Security Act of the State of Florida. The Act established a Trust Fund, maintained by the State Treasurer, which is a multiple financial institution pool with the ability to assess its member financial institutions for collateral shortfalls if a member fails.

2. Investments

As of September 30, 2025, the Administration had the following investments and maturities:

Investment	Maturities	Fair Value
Brokerage Cash	N/A	$ 7,381,561
Certificates of Deposit	1 - 2 years	1,088,042
Florida PRIME	35 days	3,536,951
Total investments		$ 12,006,554

A. Florida PRIME

The Administration's investment in Florida PRIME is administered by the Florida State Board of Administration (SBA). Florida PRIME is an external investment pool that is not a registrant with the SEC; however, the SBA has adopted operating procedures consistent with the requirements for a SEC rule 2a-7 fund. Florida PRIME is governed by Chapter 19-7 of the Florida Administrative Code, which identifies the Rules of the SBA. These rules provide guidance and establish the general operating procedures for the administration of Florida PRIME. Additionally, the State of Florida, Office of the Auditor General performs the operational audit of the activities and investments of the SBA. Throughout the year and as of September 30, 2025, Florida PRIME contained certain floating rate and adjustable-rate securities that were indexed based on the prime rate and/or one and three month LIBOR. These floating rate and adjustable rate securities are used to hedge against interest risk and provide diversification to the portfolio. Exposure to a single issuer is limited to 5% of the portfolio's amortized cost. Investments in Florida PRIME are not evidenced by securities that exist in physical or book entry form. The current rating for the Florida PRIME is AAA by Standard and Poors. The weighted average days to maturity of the Florida Prime at September 30, 2025 is 47 days. The fair value of the Administration's position in the pool approximates the value of the pool shares. At September 30, 2025, the Administration had $ 3,536,951 invested in Florida PRIME. Florida PRIME's most recent financial statements can be found at:

https://www.sbafla.com/prime/audits/tabid/582default.aspx.

Fair Value Measurements

In February 2015, GASB issued GASB Statement No. 72. GASB 72 applicability related to the application of fair value is limited to assets and liabilities that are currently measured at fair value and certain investments that are not currently measured at fair value.

Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost. Therefore, the participant account balance is considered the fair value of the investment. Florida PRIME investment is exempt from the GASB 72 fair value hierarchy disclosures.

As of September 30, 2025, the Administration's investment in Florida PRIME investment pool is rated AAAm by Standard & Pools.

Investment Objective

The primary investment objectives for Florida PRIME, in priority order, are safety, liquidity, and competitive returns with minimization of risks. Investment performance of Florida PRIME will be evaluated on a monthly basis against the Standard & Pools U.S. AAA & AA Rated GIP All 30 Day Net Yield Index. While there is no assurance that Florida PRIME will achieve its investment objectives, it endeavors to do so by following the investment strategies described in its policies.

Interest Rate Risk

The dollar weighted average days to maturity (WAM) of Florida Prime at September 30, 2025, is 47 days. Next interest rate reset dates for floating rate securities are used in the calculation of WAM. The weighted average life (WAL) of Florida PRIME at September 30, 2025, is 73 days.

Foreign Currency Risk

Florida PRIME was not exposed to any foreign currency risk during the period from October 1, 2024 through September 30, 2025.

Securities Lending

Florida PRIME did not participate in a securities lending program in the period from October 1, 2024 through September 30, 2025.

Fair Value Hierarchy

Florida PRIME currently meets all of the necessary criteria to elect to measure all of the investments in Florida PRIME at amortized cost; therefore, participant account balances should also be reported at amortized cost.

B. Other Investments Measurements

Other investments solely consist of fully-backed U.S. government securities.

Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Administration has the ability to access.

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, such as:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair market value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. Following is a description of the valuation methodologies used for asset measured at fair value. There have been no changes in the valuation methodologies used at September 30, 2025 and 2024.

U.S. government securities: The fair values of U.S. government securities are based on yields currently available on identical securities being traded on the open market.

The following table sets forth by level, within the fair value hierarchy, the Administration's assets at fair value as of September 30, 2025:

Investments:	Level 1	Level 2	Level 3	Total
Brokerage cash	$ 7,381,561	$ -	$ -	$ 7,381,561
Certificates of deposit	1,088,042	-	-	1,088,042
Total	$ 8,469,603	$ -	$ -	$ 8,469,603

NOTE 3. ACCOUNTS RECEIVABLE & DUE FROM OTHER GOVERNMENTS

Accounts receivable totaling $709,365 constitutes the balance due at September 30, 2025 for landfill services rendered to the public and proceeds from an insurance settlement. The amount of accounts receivable due from governmental customers was $277,847. The allowance for uncollectible accounts was $- as of September 30, 2025. This was based on a history of full collectability of accounts receivable.

NOTE 4. RESTRICTED ASSETS

As of September 30, 2025, the Administration had the following restricted assets:

Landfill closure escrow funds	
Investments - restricted	$ 11,184,490
Total landfill closure escrow funds	$ 11,184,490

These assets consist of cash and investments restricted for landfill closure and post closure costs as required by state law.

NOTE 5. CAPITAL ASSETS

A summary of capital assets of the Administration at September 30, 2025 is as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Non-depreciable:				
Land	424,330	$ -	$ -	$ 424,330
Depreciable:				
Landfill costs	17,754,707	-	-	17,754,707
Building and improvements	350,214	-	-	350,214
Equipment and machinery	4,072,352	-	(67,612)	4,004,740
Total capital assets	22,601,603	-	(67,612)	22,533,991
Less accumulated depreciation	(9,579,426)	(739,230)	67,612	(10,251,044)
Net assets	$ 13,022,177	$ (739,230)	$ -	$ 12,282,947

Depreciation for the year ended September 30, 2025, was $739,230.

NOTE 6. DUE TO OTHER GOVERNMENTS

At September 30, 2025, there were no amounts due to other governments.

NOTE 7. LONG-TERM LIABILITIES

During the year ended September 30, 2025, the following changes occurred in long-term debt.

	Balances 09/30/24	Additions	Deductions	Balances 09/30/25	Due Within one year
Compensated absences	$ 136,326	$ 14,033	$ -	$ 150,359	$ 15,188
Net pension liability	422,688		(49,265)	373,423	-
Drummond Bank Loan	4,199,318	-	(303,130)	3,896,188	309,695
Accrued closure and postclosure costs	8,044,769	-	601,145	8,645,914	-
	$ 12,803,101	$ 14,033	$ 248,750	$ 13,065,884	$ 324,883

NOTE 8. CLOSURE AND POSTCLOSURE CARE COST

The Administration has obtained engineering estimates of closure construction costs and future costs to monitor sanitary landfill sites as required by U.S. Environmental Protection Agency (EPA) and Florida Department of Environment Protection (FDEP) regulations and the related provisions of GASB Statement No. 18. State and federal laws and regulations require the Administration to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Closure and post closure care costs will be paid only near or after the date that the landfill stops accepting waste. The Administration reports a portion of these closure and post closure care costs as an operating expense each period based on landfill capacity used as of each balance sheet date. The $ 8,645,914 reported as landfill closure and post closure care liability at September 30, 2025, represents the amount reported to date based on the approximate use of 54 percent of the currently active Class I landfill's estimated capacity and 46 percent of the currently active Class III landfill's estimated capacity. Changes in the estimated costs provided by the Administration's engineers and the usage percentages resulted in a $601,145 increase in the closure and post closure care liabilities for fiscal year 2025. The Administration will recognize the remaining estimated cost of closure and post closure care of $8,645,914 as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post closure care in 2025 utilizing an outside contractor and cover material. The Administration expects to close the present footprint of the landfill in the year 2055. Actual cost may be higher or lower due to inflation, changes in technology, or changes in regulations.

Estimates by nature have a potential for change due to inflation, deflation, technology, or applicable laws or regulations. Therefore, the actual costs for future landfill closure and post closure care costs may differ from projections.

The Administration is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post closure care. The Administration is in compliance with these requirements. At September 30, 2025, cash and investments of $11,184,490 are held for these purposes. These are reported as restricted assets on the balance sheet. The Administration expects that future inflation costs will be paid from interest earnings on these annual contributions. However, if interest earnings are inadequate or additional post closure care requirements are determined (due to changes in technology or applicable laws or regulations, for example), these costs my need to be covered by charges to future landfill users other sources.

Each year's "Landfill Management Escrow Accounting Schedule of Activity" report is prepared by the Administration and audited by independent auditors. This report is delivered to the Florida Department of Environmental Protection (FDEP) as evidence the Administration is complying with the escrow requirements of Section 62-701.630(5)(c) of the Florida Administrative Code. Copies of this report will be provided upon request by contacting the Administration.

NOTE 9. DRUMMOND BANK LOAN

The Administration entered into a new construction loan agreement with Drummond Bank in December of 2021 for the amount of $5,000,0000 at 2.11% interest. The agreement was to complete the construction of Cell 4, and would be paid back with a 15-year term with monthly payments of $32,498. As of September 30, 2025 the principal balance owed was $ 3,896,188. The following is a schedule of future minimum payments:

Fiscal Year Ending September 30,	Interest	Principal	Total Payment
2026	80,277	309,695	389,972
2027	73,589	316,383	389,972
2028	66,943	323,029	389,972
2029	59,782	330,190	389,972
2030 - 2034	188,941	1,760,920	1,949,861
Thereafter	21,514	855,971	877,485
	$ 491,047	$ 3,896,188	$ 4,387,235

NOTE 10. COST-SHARING MULTIPLE EMPLOYER DEFINED BENEFIT PENSION PLAN AND OTHER POST EMPLOYMENT BENEFIT PLAN – FLORIDA RETIREMENT SYSTEM PENSION PLAN AND HEALTH INSURANCE SUBSIDY PROGRAM

A. Florida Retirement System

General Information - All of the Administration's employees participate in the Florida Retirement System (FRS). As provided by Chapters 121 and 112, *Florida Statutes*, the FRS provides two cost sharing, multiple employer defined benefit plans administered by the Florida Department of Management Services, Division of Retirement, which include the FRS Pension Plan (Pension Plan) and the Retiree Health Insurance Subsidy (HIS Plan). Under Section 121.4501, *Florida Statutes*, the FRS also provides a defined contribution plan (Investment Plan) alternative to the FRS Pension Plan, which is administered by the State Board of Administration (SBA). As a general rule, membership in the FRS is compulsory for all employees who work in a regularly established position for a state agency, county government, district school board, state university, community college, or a participating city or special district within the State of Florida. The FRS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are established by Chapter 121, *Florida Statutes*, and Chapter 60S, Florida Administrative Code. Amendments to the law can be made only by an act of the Florida State Legislature.

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 from the Web site: www.dms.myflorida.com/workforce_operations/retirement/publications.

B. Defined Benefit Pension Plan – Florida Retirement System Pension Plan

Plan Description – The Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees.

Benefits Provided - Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. For Pension Plan members enrolled before July 1, 2011, Regular class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service. This amount increases with every year of additional service up to a maximum of 1.68% of the final average compensation of their five highest years for each year of credited service at age 65 with 33 or more years of service. Vested members with less than 30 years of service may retire before age 62 and receive reduced retirement benefits. Special Risk Administrative Support class members who retire at or after age 55 with at least six years of credited service (age 52 if credited service includes at least four years of wartime military service) or 25 years of service regardless of age are entitled to a retirement benefit payable monthly for life, beginning at 1.6% of their final average compensation based on the five highest years of salary, for each year of credited service and increasing to a maximum of 1.68% for of with each year up to age 58 (55 with wartime service) and 28 years of special risk service. Special Risk class members (sworn law enforcement officers, firefighters, and correctional officers) who retire at or after age 55 (age 52 with wartime experience) with at least six years of credited service, or with 25 years of service regardless of age, are entitled to a retirement benefit payable monthly for life, equal to 3.0% of their final average compensation based on the five highest years of salary for each year of credited service. Senior Management Service class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 2.0% of their final average compensation based on the five highest years of salary for each year of credited service. Elected Officers' class members who retire at or after age 62 with at least six years of credited service or 30 years of service regardless of age are entitled to a retirement benefit payable monthly for life, equal to 3.0% (3.33% for judges and justices) of their final average compensation based on the five highest years of salary for each year of credited service.

For Plan members enrolled on or after July 1, 2011, the vesting requirement is extended to eight years of credited service for all these members and increasing normal retirement to age 65 or 33 years of service regardless of age for Regular, Senior Management Service, and Elected Officers' class members, and to age 60 or 30 years of service regardless of age for Special Risk and Special Risk Administrative Support class members. Also, the final average compensation for all these members will be based on the eight highest years of salary.

As provided in Section 121.101, *Florida Statutes*, if the member is initially enrolled in the Pension Plan before July 1, 2011, and all service credit was accrued before August 1, 2011, the annual cost-of- living adjustment is three percent per year. The cost-of-living adjustment for participants with a retirement date or DROP participation date after August 1, 2011 is determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement and multiplying by three percent . Plan members initially enrolled on or after July 1, 2011, will not have a cost-of-living adjustment after retirement.

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with an FRS employer for a period not to exceed 96 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants

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 periods from October 1, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025. respectively, were as follows:

Class	October 1, 2024- June 30, 2025	July 1, 2025- September 30, 2025
Regular Class	13.63%	14.03%
Special Risk Class	32.79%	35.19%
Special Risk Administrative Support	39.82%	39.48%
Count Elected Officers Class	58.68%	54.57%
Senior Management Class	34.52%	33.24%
Deferred Retirement Option Program	21.13%	22.02%

The Administration's contributions, including employee contributions, to the Pension Plan totaled $69,953 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025 the Administration reported a liability of $242,833 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2025. The Administration's proportionate share of the net pension liability was based on the Administration's contributions relative to the contributions of all participating members. At June 30, 2025, the Administration's proportionate share was 0.000782446 percent, which was an increase of 7.78 percent from its proportionate share measured as of June 30, 2025.

For the fiscal year ended September 30, 2025, the Administration recognized pension expense of $38,231 In addition, the Administration reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 25,937	$ -
Changes in assumptions	28,199	-
Net difference between projected and actual earnings on Pension Plan investments	-	40,543
Changes in proportion and differences between Pension Plan contributions and proportionate share of contributions	24,938	13,800
Pension Plan contributions subsequent to the measurement date	11,802	-
Total	$ 90,876	$ 54,343

The deferred outflows of resources related to the Pension Plan, totaling $11,802, resulting from Administration contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2025. 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	Amount
2025	$ (2,191)
2026	23,798
2027	1,735
2028	82
2029	1,307
Thereafter	-
	$ 24,731

Actuarial Assumptions – The total pension liability in the July 1, 2025 actuarial valuation was determined using the following actuarial assumption, applied to all period included in the measurement:

Inflation	2.40%
Salary increases	3.50%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation
Discount rate	6.70%

Mortality rates were based on the PUB-2010 base table, generational mortality using the gender specific MP 2018 mortality improvement projection scale.

The actuarial assumptions used in the July 1, 2025, valuation was based on the results of an actuarial experience study for the period July 1, 2018 through June 30, 2023.

The long-term expected rate of return on Pension Plan investments was 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:

Asset Class	Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.00%	3.20%	3.20%	1.10%
Fixed income	29.00%	5.50%	5.40%	4.00%
Global equity	45.00%	8.50%	6.90%	18.30%
Real estate	12.00%	8.40%	7.10%	16.80%
Private equity	11.00%	12.40%	8.80%	28.40%
Strategic investments	2.00%	6.50%	6.10%	8.70%
Total	100.00%			
Assumed Inflation - mean			2.40%	1.50%

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

Discount Rate - The discount rate used to measure the total pension liability was 6.70%. 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 of the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Administration's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Administration's proportionate share of the net pension liability calculated using the discount rate of 6.70%, as well as what the Administration'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:

	1 % Decrease 5.70%	Current Discount Rate 6.70%	1% Increase 7.70%
Administration's proportionate share of the net pension liability	$ 476,556	$ 242,833	$ 46,883

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 Comprehensive Annual Financial Report.

Payables to the Pension Plan – The Administration had no payables for outstanding contributions to the Pension Plan required for the fiscal year ended September 30, 2025.

C. Other Post Employment Benefit Plan - Health Insurance Subsidy Program (HIS)

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, 2025, eligible retirees and beneficiaries received a monthly HIS payment of $7.50 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $45 and a maximum HIS payment of $225 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, 2025, the HIS contribution for the period October 1, 2024 through June 30, 2025 and from July 1, 2025 through September 30, 2025 was 2.00% and 2.00%, respectively. The Administration 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 Administration's contributions, including those made by employees to the HIS Plan totaled $13,635 for the fiscal year ended September 30, 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions – At September 30, 2025, the Administration reported a liability of $130,590 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2025, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2025. The Administration's proportionate share of the net pension liability was based on the Administration's contributions relative to the contributions of all participating members. At June 30, 2025, the Administration's proportionate share was 0.001018847 percent, which was an increase of 7.74 percent from its proportionate share measured as of June 30, 2024.

For the fiscal year ended September 30, 2025, the Administration recognized an expense related to the HIS Plan of $13,650. In addition the Administration reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Description	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	$	780	$	207
Changes in assumptions		1,156		31,586
Net difference between projected and actual earnings on HIS Plan investments		-		109
Changes in proportion and differences between HIS Plan contributions and proportionate share of contributions		15,257		9,444
HIS Plan contributions subsequent to the measurement date		2,208		-
Total	$	19,401	$	41,346

The deferred outflows of resources related to the HIS Plan, totaling $2,208 resulting from Administration 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 ended September 30, 2025. 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	Amount	
2025	$	(3,063)
2026		(3,780)
2027		(5,506)
2028		(3,850)
2029		(2,097)
Thereafter		(5,857)
	$	(24,153)

Actuarial Assumptions – The total pension liability in the July 1, 2025, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.40%
Salary increases	3.25%, average, including inflation
Municipal bond rate	5.20%

Mortality rates were based on the PUB-2010 base table, generational mortality using the gender specific MP 2018 mortality improvement projection scale.

The actuarial valuations were prepared as of July 1, 2025 valuation was based on the results of an actuarial experience study, completed in 2025, for the period July 1, 2018 through June 30, 2023.

Discount Rate - The discount rate used to measure the total pension liability was 5.20%. 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 Administration's Proportionate Share of the Net Position Liability to Changes in the Discount Rate - The following represents the Administration's proportionate share of the net pension liability calculated using the discount rate of 5.20 %, as well as what the Administration's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (4.20%) or one percentage point higher (6.20%) than the current rate:

	1 % Decrease 4.20%	Current Discount Rate 5.20%	1% Increase 6.20%
Administration's proportionate share of the net pension liability	$ 173,985	$ 130,590	$ 135,280

HIS 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 Comprehensive Annual Financial Report.

Payables to the HIS Plan – The Administration had no payables for outstanding contributions to the HIS Plan required for the fiscal year ended September 30, 2025.

NOTE 11. INTERLOCAL AGREEMENT

The Interlocal Agreement entered into by the four counties that own and operate the landfill contains a clause to equalize to Dixie County the transportation cost associated with hauling waste from Dixie County to a point designated in Taylor and Jefferson Counties. The host county (Madison) will be exempt from this clause. The agreement, as amended on July 17, 1995, provides that the amounts to be paid shall not exceed $44,000 for Taylor County and $25,000 for Jefferson County.

NOTE 12. BUDGETARY PROCESS

The Administration follows these procedures in establishing the budgetary data reflected in the financial statements:

a. In May the Budget Committee begins preparing a budget for the fiscal year commencing the following October 1.
b. In June the Administration adopts and approves the budget.
c. The budget is adopted on a basis consistent with generally accepted accounting principles. The legal level of budgeting control is the fund level.

NOTE 13. INVENTORIES

It has consistently been the policy of the Administration to record the acquisition of goods and supplies as expenditures at the time of purchase. The amount of such inventory on hand at any one time would be a nominal amount and considered to be immaterial.

NOTE 14. OTHER POST-EMPLOYMENT BENEFITS PLAN (OPEB)

The Administration is legally required to include any retirees for whom it provides health insurance coverage in the same insurance pool as its active employees, whether the premiums are paid by the Administration or the retiree. Participating retirees are considered to receive a secondary benefit known as an "implicit rate subsidy". This benefit relates to the assumption that the retiree is receiving a more favorable premium rate than they would otherwise be able to obtain if purchasing insurance on their own, due to being included in the same pool with the Administration younger and statistically healthier active employees. GASB Statement 75 requires governments to report this cost and related liability in its financial statements.

Due to the fact that no retirees participated in the plan during the year and that it is anticipated that this situation will continue in the future because most employees work until they are eligible for Medicare benefits, management had determined that the Administration's OPEB obligation at year end would be of a de minimis amount. Management will monitor this situation in the future and take appropriate steps to properly comply with this GASB Statement.

NOTE 15. Prior Period Adjustment

During fiscal year 2025, the Administration identified a change in accounting principal in the previously issued financial statements related to the reporting of Compensated Absences Balance. Effective October 1, 2024, the Administration adopted GASB No. 101, Compensated Absences. This statement updates the accounting and financial reporting requirements for compensated absences. Implementation of the standard required the Entity to restate beginning net position to properly recognize and measure liabilities for compensated absences in accordance with the new guidance.

	Originally stated	Restated
Compensated Absences	$ 101,256	$ 136,236
Total Liabilities	13,541,667	13,576,737
Net Position		
Unrestricted	8,521,880	8,486,810
Total Net Assets	$ 19,922,529	$ 19,887,459

REQUIRED SUPPLEMENTARY INFORMATION

AUCILLA AREA SOLID WASTE ADMINISTRATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Proportion of the FRS net pension liability (asset)	0.000782446%	0.000725938%	0.000713966%	0.000825928%	0.000777250%	0.000655709%	0.000656891%	0.000660046%	0.000657845%	0.000648280%
Proportionate share of the FRS net pension liability (asset)	$ 242,833	$ 280,827	$ 284,493	$ 307,312	$ 58,712	$ 284,194	$ 226,224	$ 198,809	$ 194,586	$ 163,691
Proportion of the HIS net pension liability (asset)	0.001018847%	0.00094568%	0.000934074%	0.001092496%	0.001040878%	0.000966663%	0.000968857%	0.000969093%	0.000968698%	0.000964992%
Proportionate share of the HIS net pension liability (asset)	130,590	141,861	148,343	115,713	127,680	118,027	108,405	102,570	103,578	112,466
Proportionate share of the total net pension liability (asset)	$ 373,423	$ 422,688	$ 432,836	$ 423,025	$ 186,392	$ 402,221	$ 334,629	$ 301,379	$ 298,164	$ 276,157
Covered-employee payroll	$ 455,200	$ 400,224	$ 387,101	$ 387,101	$ 375,696	$ 341,657	$ 328,115	$ 315,815	$ 311,677	$ 315,360
Proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	82.03%	105.61%	111.81%	109.28%	49.61%	117.73%	101.99%	95.43%	95.66%	87.57%
Plan fiduciary net position as a percentage of the total pension liability	82.96%	77.04%	77.04%	79.09%	91.09%	74.46%	78.22%	79.86%	79.30%	79.36%

Notes to schedule

1. See notes to financial statements for changes in assumptions.

2. The amounts presented for each fiscal year for FRS and HIS were determined as of the measurement date which was June 30 of the fiscal year.

3. Covered payroll is for the fiscal year ended September 30.

AUCILLA AREA SOLID WASTE ADMINISTRATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CONTRIBUTIONS
FLORIDA RETIREMENT SYSTEM AND HEALTH INSURANCE SUBSIDY PROGRAM
LAST 10 FISCAL YEARS

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required FRS contribution	$ 54,660	$ 45,970	$ 45,339	$ 35,244	$ 29,610	$ 21,786	$ 20,368	$ 18,811	$ 17,125	$ 15,809
Contractually required HIS contribution	10,654	8,934	11,103	6,611	6,118	5,570	5,380	5,255	5,127	4,946
Total Contractually Required Contributions	65,314	54,904	56,442	41,855	35,728	27,356	25,748	24,066	22,252	20,755
Contributions in relation to the contractually required contribution	(65,314)	(54,904)	(56,442)	(41,855)	(35,728)	(27,356)	(25,748)	(24,066)	(22,252)	(20,755)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Town's covered-employee payroll	$ 475,955	$ 403,463	$ 368,934	$ 387,101	$ 375,696	$ 341,657	$ 328,115	$ 315,815	$ 311,677	$ 315,360
Contributions as a percentage of covered-emloyee payroll	13.72%	13.61%	15.30%	10.81%	9.51%	8.01%	7.85%	7.62%	7.14%	6.58%

Notes to schedule

1. See notes to financial statements for changes in assumptions.

OTHER INFORMATION

AUCILLA AREA SOLID WASTE ADMINISTRATION
SOLID WASTE ENTERPRISE FUND
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BUDGET AND ACTUAL
For the Fiscal Year Ended September 30, 2025

	Original and Final Budgeted Amounts	Actual Amounts	Variance Final Budget Positive (Negative)
Operating revenues			
Charges for services	$ 2,998,502	$ 5,421,734	$ 2,423,232
Miscellaneous	4,000	80,591	76,591
Total operating revenues	3,002,502	5,502,325	2,499,823
Operating expenses			
Personnel services	631,573	742,584	(111,011)
Contracted services	340,225	353,492	(13,267)
Operating expenses	2,090,704	1,459,964	630,740
Depreciation	-	739,230	(739,230)
Total operating expenses	3,062,502	3,295,270	(232,768)
Operating income	(60,000)	2,207,055	2,267,055
Nonoperating revenues and (expenses)			
Investment income	60,000	664,627	604,627
Gain (loss) on dispossition of capital assets	-	5,000	5,000
Total nonoperating revenues and (expenditures)	60,000	669,627	609,627
Change in net position	-	2,876,682	2,876,682
Prior period Adjustment		-	
Total net position at beginning of year	19,887,459	19,887,459	-
Total net position at end of year	$ 19,887,459	$ 22,764,141	$ 2,876,682

Notes:

Budgetary Information – An annual appropriated budget is adopted on a basis consistent with GAAP except depreciation is not budgeted. All annual appropriations lapse at the fiscal year end. Line-Item expenditures in excess of budget are authorized to the extent that the total budgetary category does not exceed total amounts budgeted for the category of the fund. Amendments to the budget must be approved by the Governing Board.

OTHER REPORTS AND LETTERS

Powell and Jones CPA

204 N. Marion Ave.
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Phone 386.755.4200

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

To the Honorable Board of Aucilla
Area Solid Waste Administration
Greenville, 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 Aucilla Area Solid Waste Administration (the "Administration"), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the Administration's basic financial statements, and have issued our report thereon dated May 29, 2026.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Administration's internal control over financial reporting (internal control) to determine the 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 Administration's internal control. Accordingly, we do not express an opinion on the effectiveness of the Administration'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. We consider the deficiencies described in the accompanying schedule of findings as items 2025-001 to be significant deficiencies.

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, as described in the accompanying schedule of findings, we identified certain deficiencies in internal control that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Administration'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 determination of financial statement amounts. 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.

Powell & Jones

POWELL & JONES CPA
Lake City, Florida
May 29, 2026

Powell and Jones CPA

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Phone 386.755.4200

MANAGEMENT LETTER REQUIRED BY CHAPTER 10.550, *RULES OF THE AUDITOR GENERAL*

The Honorable Board of Aucilla
Area Solid Waste Administration
Greenville, Florida

We have audited the basic financial statements of the Aucilla Area Solid Waste Administration (the Administration) as of and for the year ended September 30, 2025, and have issued our report thereon dated May 29, 2026.

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; Disclosures in those reports and schedule, which are dated May 29, 2026, should be considered in conjunction with this management letter.

PRIOR YEAR 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. Corrective actions have been taken to address findings and recommendations made in the preceding financial audit report.

Taublation of Uncorrected Audit Findings

Current Year Finding Number	FY 24 Finding Number	FY 23 Finding Number
2025-001	2013-1	2013-1

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 Administration 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 Administration did not meet any of the conditions described in Section 218.503(1), Florida Statutes.

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 Administration. It is management's responsibility to monitor the Administration '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.

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

As required by Section 10.554(1)(i)6.a., Rules of the Auditor General, the Administration a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, Florida Statutes, did not operate within the Administration'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 did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), Florida Statutes.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)7., Rules of the Auditor General, the Administration reported:

a. The total number of Administration employees compensated in the last pay period of Administration's fiscal year: 9
b. There are no independent contractors to whom nonemployee compensation was paid in the last month of the Administration's fiscal year.
c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency: $501,301.
d. There is no compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency.
e. There are no construction projects with a total cost of at least $65,000 approved by the Administration scheduled to begin on or after October 1, 2024.
f. There were no amendments to the final adopted budget under Section 189.016(6) for the current fiscal year ended September 30, 2025.

Our audit did not disclose any further items that would be required to be reported under the *Rules of the Auditor General*, Chapter 10.550.

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

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, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

Powell & Jones

POWELL & JONES CPA
Lake City, Florida
May 29, 2026

Powell and Jones CPA

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Phone 386.755.4200

INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH *FLORIDA STATUTES* REGARDING INVESTMENT OF PUBLIC FUNDS

The Honorable Board of Aucilla
Area Solid Waste Administration
Greenville, Florida

We have examined Aucilla Area Solid Waste Administration's (the "Administration") compliance with Section 218.415, *Florida Statutes*, regarding the investment of public funds during the year ended September 30, 2025. Management is responsible for the Administration's compliance with those requirements. Our responsibility is to express an opinion on the Administration's compliance based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence about the Administration's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Administration's compliance with specified requirements.

In our opinion, the Administration complied, in all material respects, with the aforementioned requirements for the year ended September 30, 2025.

This report is intended solely for the information and use of the Administration and the Auditor General, State of Florida, and is not intended to be and should not be used by anyone other than these specified parties.

Powell & Jones

POWELL & JONES CPA
Lake City, Florida
May 29, 2026

Powell and Jones CPA

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Communication with Those Charged with Governance

The Honorable Board of Aucilla
Area Solid Waste Administration
Greenville, Florida

We have audited the financial statements of Aucilla Area Solid Waste Administration (the "Administration") for the year ended September 30, 2025. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and Government *Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Administration are described Note 1 to the financial statements. As described in Note 1 to the financial statements, during the year, the entity changed its method of accounting for compensated absences recognition by adopting Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences. Accordingly, the cumulative effect of the accounting change as of the beginning of the year has been reported in the Statement of Activities. We noted no transactions entered into by the governmental unit during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no sensitive estimates affecting the Administration's financial statements.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There are no sensitive disclosures affecting the financial statements.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. There were no such misstatements identified during our audit.

Disagreements with Management
For purposes of this letter, professional standards define a disagreement with management as a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated May 29, 2026.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the governmental unit's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the governmental unit's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

<u>Other Information in Documents Containing Audited Financial Statements</u>

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of the Board and management of the Administration, and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Powell & Jones

Powell and Jones CPA
Lake City, Florida
May 29, 2026

Powell and Jones CPA

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Lake City, FL 32055
Phone 386.755.4200

Schedule of Findings

Significant Deficiencies

2025-001: Financial Statement Preparation

Criteria: The preparation of the financial statements is the responsibility of management. Management must have the ability to draft financial statements in accordance with US GAAP, ensuring they fairly present the financial position, results of operations, and cash flows of the entity. While auditors may assist in the preparation of the financial statements, this should not replace the capability of management to oversee and prepare such statements themselves.

Condition: During our audit, we identified a deficiency in internal control because the Administration lacks the capability to draft its financial statements in accordance with GAAP. The Administration does not have a staff or a contracted accountant with the necessary skills to prepare these statements

Cause: The Administration has not employed or contracted with an accounting professional who possesses the technical expertise required to prepare financial statements in accordance with GAAP. Although the Administration has staff with suitable skills, knowledge, and experience to oversee services provided by the auditors in assisting with financial statement preparation, this level of competence is lower than what is required to independently draft the financial statements.

Effect: The Administration is unable to internally prepare financial statements in compliance with GAAP. This places reliance on the auditors for financial statement preparation.

Recommendation: We recommend that the Administration hire a qualified accounting professional, either in-house or on a contractual basis, who has the expertise to prepare financial statements in accordance with GAAP. We understand that the Administration has a limited budget, and this may not be feasible at this time and that even with a qualified professional it may be more efficient for the Administration to continue using its auditors to prepare these financial statements in future years.

MANAGEMENT'S RESPONSE

We agree with this finding. We are a very small organization and have used our available resources to employ a competent bookkeeper who maintains excellent accounting records and provides accurate monthly financial reports prepared generally on the cash basis. We likewise have confidence in our audit firm to utilize these records and prepare annual financial statements in the required formats and with all associated note disclosures. Both staff and the Administration review the annual financial reports and have the opportunity to ask the auditor any questions regarding the report prior to its formal presentation. The report is formally presented by the auditor at a scheduled meeting.

At this time, we do not believe it would be a justifiable expense to employ another accountant on either a part-time or full-time basis to prepare the annual financial statements. We thus accept this required disclosure finding and will continue to monitor this situation in the future.

The response provided by management was not subjected to auditing procedures in the audit, and therefore, we express no opinion on it.