

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended June 30, 2025 and 2024

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

CONTENTS

	PAGE
<i>INDEPENDENT AUDITOR'S REPORT</i>	1
<i>FINANCIAL STATEMENTS</i>	
Exhibit A - Statements of Net Position	5
Exhibit B - Statements of Revenues, Expenses, and Changes in Fund Net Position	7
Exhibit C - Statements of Cash Flows	9
<i>NOTES TO FINANCIAL STATEMENTS</i>	11
<i>REQUIRED SUPPLEMENTARY INFORMATION</i>	
Schedule 1 - Schedule of the Authority's Proportionate Share of the Net Pension Liability	29
Schedule 2 - Schedule of Authority Contributions	30
Notes to Required Supplementary Information	31
<i>SUPPLEMENTARY INFORMATION</i>	
Schedule 3 - Combining Statement of Net Position - June 30, 2025	36
Schedule 4 - Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Year Ended June 30, 2025	38
Schedule 5 - Combining Statement of Net Position - June 30, 2024	40
Schedule 6 - Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - Year Ended June 30, 2024	42
<i>OTHER REPORT</i>	
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 <i>Government Auditing Standards</i>	44

INDEPENDENT AUDITOR'S REPORT

To the Board of Commissioners
Pine Belt Regional Solid Waste Management Authority
Petal, Mississippi

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Pine Belt Regional Solid Waste Management Authority (the Authority), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2025 and 2024, 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 audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority 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 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.

To the Board of Commissioners
Pine Belt Regional Solid Waste Management Authority

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 Authority'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 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 GAAS and GAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and GAS, 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 Authority'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 Authority'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.

To the Board of Commissioners
Pine Belt Regional Solid Waste Management Authority

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the schedule of the Authority's proportionate share of the net pension liability and the schedule of Authority contributions on pages 29 and 30 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.

Management has omitted management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, 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. Our opinion on the basic financial statements is not affected by this missing information.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The combining fund financial statements on pages 36 - 43 are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

To the Board of Commissioners
Pine Belt Regional Solid Waste Management Authority

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 3, 2025 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 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 Authority's internal control over financial reporting and compliance.

Hattiesburg, Mississippi
October 3, 2025

FINANCIAL STATEMENTS

EXHIBIT A

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024**

	June 30,	
	2025	2024
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents, unrestricted	\$ 13,109,414	\$ 8,650,504
Accounts receivable	1,453,381	1,483,010
Grant receivable - waste tire	37,613	50,844
Prepaid insurance	2,157	42,808
Total current assets	14,602,565	10,227,166
CAPITAL ASSETS		
Capital assets not being depreciated	362,141	7,055,180
Capital assets being depreciated	30,850,040	23,949,558
Less: accumulated depreciation	(19,749,846)	(17,652,241)
Total capital assets being depreciated, net	11,100,194	6,297,317
Total capital assets, net	11,462,335	13,352,497
NON-CURRENT ASSETS		
Cash and cash equivalents, restricted	5,821,627	5,368,620
Total non-current assets	5,821,627	5,368,620
Total assets	31,886,527	28,948,283
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflows related to pensions	78,453	97,329
Total deferred outflows of resources	78,453	97,329

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

EXHIBIT A
PAGE TWO

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**STATEMENTS OF NET POSITION
JUNE 30, 2025 AND 2024**

	June 30,	
	2025	2024
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 517,495	\$ 483,642
Host county fees payable	279,884	280,133
State disposal fees payable	302,362	310,126
Accrued payroll expense	127	192
Bonds payable, due within one year	915,000	880,000
Total current liabilities	2,014,868	1,954,093
NON-CURRENT LIABILITIES		
Accrued liability - closure/post-closure care	5,699,267	4,776,828
Net pension liability	545,316	503,026
Bonds payable, due after one year	3,240,000	4,155,000
Total non-current liabilities	9,484,583	9,434,854
Total liabilities	11,499,451	11,388,947
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to pensions	16,741	12,743
Total deferred inflows of resources	16,741	12,743
NET POSITION		
Net investment in capital assets	7,307,335	8,317,497
Restricted for:		
Closure/post-closure care	122,360	591,792
Unrestricted	13,019,093	8,734,633
Total net position	\$ 20,448,788	\$ 17,643,922

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

EXHIBIT B

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
YEARS ENDED JUNE 30, 2025 AND 2024**

	June 30,	
	2025	2024
OPERATING REVENUES		
Disposal fees	\$ 11,406,016	\$ 10,339,691
Waste tire grant	24,770	13,711
Other income	36,147	5,452
Total operating revenues	11,466,933	10,358,854
OPERATING EXPENSES		
Closure/post-closure care costs	929,979	243,017
Depreciation	2,123,969	781,949
Dues and subscriptions	10,970	10,632
Employee training	843	-
Host county fee	279,884	280,133
Insurance	57,785	53,707
Leachate fees	97,319	79,455
Miscellaneous	13,230	10,153
Office supplies	3,695	3,380
Operating fee - landfill	3,214,105	3,020,395
Other fees	561	-
Payroll taxes	13,186	12,737
Pension expense	96,885	91,672
Postage	814	837
Professional fees	125,709	205,768
Repairs and maintenance	165,277	71,789
Salaries	177,211	171,750
State disposal fees	203,009	206,158
Telephone	1,800	1,810
Testing costs	66,377	50,667
Transfer haul fees	1,616,095	1,562,326
Travel	7,329	6,779
Vehicle expense	3,373	4,695
Total operating expenses	9,209,405	6,869,809

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

EXHIBIT B
PAGE TWO

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**STATEMENTS OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
YEARS ENDED JUNE 30, 2025 AND 2024**

	June 30,	
	2025	2024
OPERATING INCOME	\$ 2,257,528	\$ 3,489,045
NON-OPERATING REVENUES (EXPENSES)		
Interest earned	745,269	712,950
Gain on sale of asset	5,725	-
Interest expense	(200,656)	(232,088)
Investment trustee fees	(3,000)	(3,000)
Bond issuance expense	-	(57,309)
Total non-operating revenues (expenses)	547,338	420,553
CHANGES IN NET POSITION	2,804,866	3,909,598
NET POSITION, Beginning	17,643,922	13,734,324
NET POSITION, Ending	\$ 20,448,788	\$ 17,643,922

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

EXHIBIT C

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024**

	June 30,	
	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 11,435,645	\$ 10,075,279
Payments to suppliers	(5,809,224)	(7,477,089)
Payments to employees	(222,183)	(214,313)
Other receipts	74,148	18,320
Net cash provided by operating activities	<u>5,478,386</u>	<u>2,402,197</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of revenue bonds	-	3,500,000
Gain on sale of asset	5,725	-
Principal payments	(880,000)	(850,000)
Interest payments on debt	(200,656)	(232,088)
Bond issuance costs and fiscal fees	(3,000)	(60,309)
Net cash provided (used) by financing activities	<u>(1,077,931)</u>	<u>2,357,603</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest earnings	745,269	712,950
Purchase and construction of capital assets	(233,807)	(4,971,806)
Net cash provided (used) by investing activities	<u>511,462</u>	<u>(4,258,856)</u>
NET INCREASE IN CASH	4,911,917	500,944
CASH BALANCES:		
Beginning of fiscal year	<u>14,019,124</u>	<u>13,518,180</u>
End of fiscal year	<u>\$ 18,931,041</u>	<u>\$ 14,019,124</u>
Displayed on the Statement of Net Position (Exhibit A) as:		
Cash and cash equivalents, unrestricted	\$ 13,109,414	\$ 8,650,504
Cash and cash equivalents, restricted	<u>5,821,627</u>	<u>5,368,620</u>
Total cash balances	<u>\$ 18,931,041</u>	<u>\$ 14,019,124</u>

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

EXHIBIT C
PAGE TWO

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2025 AND 2024**

	June 30,	
	2025	2024
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 2,257,528	\$ 3,489,045
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	2,123,969	781,949
(Increase) decrease in:		
Accounts receivable	29,629	(264,545)
Grant receivable - waste tire	13,231	(843)
Prepaid insurance	40,651	(40,986)
Deferred outflows related to pensions	18,876	(39,183)
Increase (decrease) in:		
Accounts payable	33,853	(1,886,498)
Host county fees payable	(249)	9,058
State disposal fees payable	(7,764)	15,902
Accrued payroll expense	(65)	192
Accrued liability - closure/post-closure care	922,439	237,136
Net pension liability	42,290	91,353
Deferred inflows related to pensions	3,998	9,617
Net cash provided by operating activities	<u>\$ 5,478,386</u>	<u>\$ 2,402,197</u>

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

NOTES TO FINANCIAL STATEMENTS

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity - The Pine Belt Regional Solid Waste Management Authority (Authority) is a public body constituting a political subdivision of the State of Mississippi for the purpose of owning and operating an integrated regional solid waste management and disposal facility. The Authority was incorporated on May 15, 1992, according to Mississippi Code Annotated Section 17-17-309 (Supp. 1992), by the Board of Supervisors of each participating county and the Mayor and governing body of each participating municipality. The Authority is governed by an appointed fifteen member Board of Commissioners. The Board represents the following governing bodies:

1. City of Hattiesburg
2. City of Laurel
3. City of Petal
4. Covington County
5. Jones County
6. Perry County
7. Stone County
8. Jefferson Davis County
9. Greene County

Basis of Presentation - The Authority's financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) relative to governmental entities.

The Authority accounts for its operations within an enterprise fund. Enterprise funds are classified as proprietary funds by GAAP and are used to account for activities (a) that are financed with debt that is secured solely by a pledge of the net revenues from fees and charges of the activity; or (b) that are required by laws or regulations that the activity's costs of providing services, including capital costs (such as depreciation or debt service), be recovered with fees and charges of the activity; or (c) that the pricing policies of the activity establish fees and charges designed to recover its costs, including capital costs (such as depreciation or debt service).

Enterprise funds are presented using the flow of economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means the Authority's assets and liabilities are segregated between current and non-current, with its net position reported as invested in capital assets, net of related debt; restricted and unrestricted components. The accrual basis of accounting recognizes revenues when earned and expenses when liabilities are incurred, regardless of the timing of related cash flows. Revenue from grants and similar items is recognized in the fiscal year in which all eligibility requirements have been satisfied.

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

PAGE TWO

YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

The revenues and expenses of enterprise funds are classified as operating or nonoperating. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All other revenues and expenses not meeting this definition are reported as nonoperating.

Budgets and Budgetary Accounting - For the years ended June 30, 2025 and 2024, the Authority adopted a revenue and expense budget to be used as a management tool that assists its users in analyzing financial activity for each fiscal year.

Deposits and Investments - All excess cash balances are invested by the Authority in financial institutions selected by the Board in accordance with state statutes for the purpose of increasing earnings through investment activities.

Cash consists primarily of amounts on deposit with financial institutions in interest bearing accounts. Cash, other deposits, and investments are reported at fair value at June 30, 2025 and 2024.

The Authority's deposit accounts held at various financial institutions are all collateralized through the State of Mississippi pooled collateralization account. All deposits with financial institutions insured by the Federal Deposit Insurance Corporation (FDIC) must be collateralized in an amount equal to 105.00% of the uninsured amount. See Note 2 for additional information.

Cash and Cash Equivalents - For purposes of the statement of cash flows, all highly liquid investments with original maturities of one year or less when purchased are considered to be cash equivalents.

Accounts Receivable - All receivables are shown at their net realizable value. Management expects to collect the entire amounts due and therefore has not established an allowance for uncollectible accounts.

Capital Assets - Purchased or constructed capital assets are reported at cost. Capital assets contributed to the Authority are stated at estimated fair value at the time of contribution. Maintenance and repairs are charged to expense as incurred. Expenses which materially increase the value or life of a capital asset, are capitalized and depreciated over the remaining useful life of the asset. When capital assets are sold or retired, the related cost and accumulated depreciation is removed from the accounts and any gain or loss is included in the results of operations.

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE THREE
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	5 - 31.5 years
Equipment	3 - 20 years

Landfill cells are depreciated based on annual calculations of estimated remaining life based on available air space and compaction obtained during the year. The rubbish site is depreciated based on the amount of tonnage received throughout the year.

Deferred Outflows 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 consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense) until then.

Deferred Outflows Related to Pensions - This amount represents the Authority's proportionate share of the deferred outflows of resources reported by the pension plan in which the Authority participates. See Note 6 for additional details.

Deferred Inflows 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 position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

Deferred Inflows Related to Pensions - This amount represents the Authority's proportionate share of the deferred inflows of resources reported by the pension plan in which the Authority participates. See Note 6 for additional details.

Pensions - For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, information about the fiduciary net position of the Authority's pension plan and additions to/deductions from the plan's net position have been determined on the same basis as they are reported by Public Employees' Retirement System of Mississippi. 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.

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

PAGE FOUR

YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont.)

Net Position - Unrestricted net position represents the amounts available for future operations or distribution. Restrictions of net positions represent amounts that are not appropriable for current operations or are legally segregated for a specific purpose. It is the Authority's policy to first apply restricted resources then unrestricted resources when an expense is incurred for purposes where both restricted and unrestricted net positions are available. The following is a description of the net position restrictions used by the Authority:

Restricted for Closure/Post-Closure Care - An amount that represents the net position for the trust reserves which are legally restricted for the payment of closure and post-closure care costs that would be incurred if the landfill was closed.

Net Investment in Capital Assets - An amount that represents the net position for capital assets less accumulated depreciation net of any related debt financing transactions used to acquire the assets or collateralize the liability.

Internal Activity - Quasi-external transactions are accounted for as revenues or expenses. Transactions that constitute reimbursements to a fund from which expenses were initially made that are properly applicable to another fund are recorded as expenses in the fund that is reimbursed. Outstanding reimbursements are recorded as due to or from other funds.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. Nonrecurring or nonroutine permanent transfers of net position are reported as residual net position transfers. All other interfund transfers are reported as operating transfers.

Use of Estimates - The preparation of financial statements in conformity with accepted accounting principles generally accepted in the United States of America 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 these estimates.

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE FIVE
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 2 - CASH AND INVESTMENTS

A summary of cash and trust account balances at June 30, 2025 is as follows:

	Operating Fund	Waste Tire Fund	Rubbish Fund	Total
Unrestricted:				
Petty cash	\$ 303	\$ -	\$ -	\$ 303
Undesignated	477,491	331,516	104,541	913,548
Designated for future construction	12,074,081	-	-	12,074,081
Designated for debt service	121,482	-	-	121,482
Total unrestricted	<u>12,673,357</u>	<u>331,516</u>	<u>104,541</u>	<u>13,109,414</u>
Restricted:				
Closure/post-closure care	<u>5,752,741</u>	<u>-</u>	<u>68,886</u>	<u>5,821,627</u>
Total restricted	<u>5,752,741</u>	<u>-</u>	<u>68,886</u>	<u>5,821,627</u>
Total	<u>\$ 18,426,098</u>	<u>\$ 331,516</u>	<u>\$ 173,427</u>	<u>\$ 18,931,041</u>

A summary of cash and trust account balances at June 30, 2024 is as follows:

	Operating Fund	Waste Tire Fund	Rubbish Fund	Total
Unrestricted:				
Petty cash	\$ 303	\$ -	\$ -	\$ 303
Undesignated	864,081	283,443	98,185	1,245,709
Designated for future construction	7,301,944	-	-	7,301,944
Designated for debt service	102,548	-	-	102,548
Total unrestricted	<u>8,268,876</u>	<u>283,443</u>	<u>98,185</u>	<u>8,650,504</u>
Restricted:				
Closure/post-closure care	<u>5,299,734</u>	<u>-</u>	<u>68,886</u>	<u>5,368,620</u>
Total restricted	<u>5,299,734</u>	<u>-</u>	<u>68,886</u>	<u>5,368,620</u>
Total	<u>\$ 13,568,610</u>	<u>\$ 283,443</u>	<u>\$ 167,071</u>	<u>\$ 14,019,124</u>

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE SIX
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 2 - CASH AND INVESTMENTS (Cont.)

Restricted cash consists of funds held for estimated closure and post-closure care as required by State and Federal laws and regulations.

At June 30, 2025, the carrying amount of the Authority's deposits was \$18,931,041 including petty cash and the bank balance was \$18,951,630. The bank balance is categorized as follows:

Amount collateralized with securities held in the State of Mississippi collateral pool on behalf of the Authority	\$ 13,216,991
Amount covered by FDIC	<u>5,734,639</u>
Total	<u>\$ 18,951,630</u>

Custodial Credit Risk - Deposits - Custodial credit risk is the risk that in the event of the failure of a financial institution, the Authority will not be able to recover deposits or collateral securities that are in the possession of an outside party. The Authority does not have a formal policy for custodial credit risk. However, the Mississippi State Treasurer manages that risk on behalf of the Authority. Deposits above FDIC coverage are collateralized by the pledging financial institution's trust department or agent in the name of the Mississippi State Treasurer on behalf of the Authority.

Restricted funds are held in trust accounts for closure/post-closure costs. The closure/post-closure money market funds are not eligible for the State Pooled Collateral Account.

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE SEVEN
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2025 was as follows:

	Beginning Balances	Additions	Retirements	Adjustments*	Ending Balances
Capital assets not being depreciated:					
Land	\$ 260,441	\$ -	\$ -	\$ -	\$ 260,441
Construction in progress	6,794,739	233,807	(6,926,846)		101,700
Total capital assets not being depreciated	<u>7,055,180</u>	<u>233,807</u>	<u>(6,926,846)</u>	<u>-</u>	<u>362,141</u>
Capital assets being depreciated:					
Buildings and improvements	10,936,259	-	-	980,997	11,917,256
Landfill cells	12,809,270	6,926,846	-	(980,997)	18,755,119
Rubbish site	44,425	-	-	-	44,425
Equipment	159,604	-	(26,364)	-	133,240
Total capital assets being depreciated	<u>23,949,558</u>	<u>6,926,846</u>	<u>(26,364)</u>	<u>-</u>	<u>30,850,040</u>
Less accumulated depreciation for:					
Buildings and improvements	5,674,006	463,239	-	-	6,137,245
Landfill cells	11,828,276	1,650,248	-	-	13,478,524
Rubbish site	32,282	-	-	-	32,282
Equipment	117,677	10,482	(26,364)	-	101,795
Total accumulated depreciation	<u>17,652,241</u>	<u>2,123,969</u>	<u>(26,364)</u>	<u>-</u>	<u>19,749,846</u>
Total capital assets being depreciated, net	<u>6,297,317</u>	<u>4,802,877</u>	<u>-</u>	<u>-</u>	<u>11,100,194</u>
Total capital assets, net	<u>\$ 13,352,497</u>	<u>\$ 5,036,684</u>	<u>\$ (6,926,846)</u>	<u>\$ -</u>	<u>\$ 11,462,335</u>

* Adjustments were made to reclassify assets to correct categories.

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS PAGE EIGHT YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 3 - CAPITAL ASSETS (Cont.)

Capital asset activity for the year ended June 30, 2024 was as follows:

	Beginning Balances	Additions	Retirements	Ending Balances
Capital assets not being depreciated:				
Land	\$ 260,441	\$ -	\$ -	\$ 260,441
Construction in progress	2,856,339	4,919,397	(980,997)	6,794,739
Total capital assets not being depreciated	3,116,780	4,919,397	(980,997)	7,055,180
Capital assets being depreciated:				
Buildings and improvements	10,936,259	-	-	10,936,259
Landfill cells	11,828,273	980,997	-	12,809,270
Rubbish site	44,425	-	-	44,425
Equipment	107,195	52,409	-	159,604
Total capital assets being depreciated	22,916,152	1,033,406	-	23,949,558
Less accumulated depreciation for:				
Buildings and improvements	5,259,816	414,190	-	5,674,006
Landfill cells	11,470,999	357,277	-	11,828,276
Rubbish site	32,282	-	-	32,282
Equipment	107,195	10,482	-	117,677
Total accumulated depreciation	16,870,292	781,949	-	17,652,241
Total capital assets being depreciated, net	6,045,860	251,457	-	6,297,317
Total capital assets, net	\$ 9,162,640	\$ 5,170,854	\$ (980,997)	\$ 13,352,497

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

PAGE NINE

YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 3 - CAPITAL ASSETS (Cont.)

The Authority owns a rubbish site which is located at the landfill. During fiscal years 2025 and 2024, the site was not operational due to market conditions. The Authority did not depreciate the related assets and therefore has not taken depreciation for fiscal years 2025 and 2024. The net book value of the rubbish site is \$12,143 for both years ended June 30, 2025 and 2024, and is included in capital assets.

NOTE 4 - ACCOUNTS PAYABLE

Accounts payable consisted of the following:

	June 30,	
	2025	2024
Landfill operator	\$ 456,854	\$ 456,506
Other payables	60,641	27,136
Total accounts payable	\$ 517,495	\$ 483,642

NOTE 5 - LONG-TERM DEBT

On September 17, 2015, the Authority issued Series 2015 revenue bonds for the purposes of repaying outstanding debt and construction. The Series 2015 Revenue Bonds were dated September 17, 2015 with interest payable on July 1, and January 1 of every year beginning January 1, 2016 at a variable rate ranging from 0.99% to 2.97%. The interest rates were 2.45% and 2.33% for 2025 and 2024, respectively.

On July 12, 2023, the Authority issued Series 2023 revenue bonds for the purposes of repaying outstanding debt and construction. The Series 2023 Revenue Bonds were dated July 12, 2023 with interest payable on July 1, and January 1 of every year beginning January 1, 2024. The coupon rate was set at 4.93% for the entirety of the repayment period.

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE TEN
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 5 - LONG-TERM DEBT (Cont.)

Changes in long-term debt for the year ended June 30, 2025 are as follows:

	Balance 6/30/24	Additions	Retirements	Balance 6/30/25	Due Within One Year
Bonds Payable:					
Series 2015 revenue bonds, maturing 2033; variable rate, 2.45% for 2025	\$ 2,185,000	\$ -	\$ 205,000	\$ 1,980,000	\$ 215,000
Series 2023 revenue bonds, maturing 2028; coupon rate, 4.93%	<u>2,850,000</u>	<u>-</u>	<u>675,000</u>	<u>2,175,000</u>	<u>700,000</u>
Total	<u><u>\$ 5,035,000</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 880,000</u></u>	<u><u>\$ 4,155,000</u></u>	<u><u>\$ 915,000</u></u>

Changes in long-term debt for the year ended June 30, 2024 are as follows:

	Balance 6/30/23	Additions	Retirements	Balance 6/30/24	Due Within One Year
Bonds Payable:					
Series 2015 revenue bonds, maturing 2033; variable rate, 2.33% for 2024	\$ 2,385,000	\$ -	\$ 200,000	\$ 2,185,000	\$ 205,000
Series 2023 revenue maturing 2028; coupon rate, 4.93%	<u>-</u>	<u>3,500,000</u>	<u>650,000</u>	<u>2,850,000</u>	<u>675,000</u>
Total	<u><u>\$ 2,385,000</u></u>	<u><u>\$ 3,500,000</u></u>	<u><u>\$ 850,000</u></u>	<u><u>\$ 5,035,000</u></u>	<u><u>\$ 880,000</u></u>

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE ELEVEN
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 5 - LONG-TERM DEBT (Cont.)

Debt service requirements on long-term debt at June 30, 2025 are as follows:

<u>Year of Maturity</u>	<u>Bonds Payable</u>	
	<u>Principal Amount</u>	<u>Interest Amount</u>
2026	\$ 915,000	\$ 162,356
2027	950,000	122,535
2028	985,000	80,875
2029	240,000	37,673
2030	250,000	31,096
2031-2033	815,000	48,915
Total	\$ 4,155,000	\$ 483,450

Interest expense related to the bonds was \$200,656 and \$232,088 for the years ended June 30, 2025 and 2024, respectively.

NOTE 6 - DEFINED BENEFIT PENSION PLAN

General Information about the Pension Plan

Plan Description - The Authority contributes to the Public Employees' Retirement System of Mississippi (PERS), a cost-sharing, multiple-employer, defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. Plan provisions and the Board of Trustees' authority to determine contribution rates are established by *Mississippi Code of 1972 Annotated* Section 25-11-1 et seq. and may be amended only by the State of Mississippi Legislature. PERS issues a publicly available financial report that includes financial statements and required supplementary information. That information may be obtained by writing to Public Employees' Retirement System, PERS Building, 429 Mississippi Street, Jackson, MS 39201-1005 or by calling 1-800-444-PERS.

Benefits Provided - Membership in PERS is a condition of employment granted upon hiring for qualifying employees and officials of the State of Mississippi, state universities, community and junior colleges, and teachers and employees of the public-school districts. For those persons employed by political subdivisions and instrumentalities of the State of Mississippi, membership is contingent upon approval of the entity's participation in PERS by the PERS' Board of Trustees. If approved, membership for the entity's

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE TWELVE
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Cont.)

employees is a condition of employment and eligibility is granted to those who qualify upon hiring. Participating members who are vested and retire at or after age 60 or those who retire regardless of age with at least 30 years of creditable service (25 years of creditable service for employees who became members of PERS before July 1, 2011) are entitled, upon application, to an annual retirement allowance payable monthly for life in an amount equal to 2.00% of their average compensation for each year of creditable service up to and including 30 years (25 years for those who became members of PERS before July 1, 2011), plus 2.50% for each additional year of creditable service with an actuarial reduction in the benefit for each year of creditable service below 30 years or the number of years in age that the member is below 65, whichever is less. Average compensation is the average of the employee's earnings during the four highest compensated years of creditable service. Benefits vest upon completion of eight years of membership service (four years of membership service for those who became members of PERS before July 1, 2007). PERS also provides certain death and disability benefits. A Cost-of-Living Adjustment (COLA) payment is made to eligible retirees and beneficiaries. The COLA is equal to 3.00% of the annual retirement allowance for each full fiscal year of retirement up to the year in which the retired member reaches age 60 (55 for those who became members of PERS before July 1, 2011), with 3.00% compounded for each fiscal year thereafter. Plan provisions are established and may be amended only by the State of Mississippi Legislature.

Contributions - At June 30, 2025 and 2024, PERS members were required to contribute 9.00% of their annual covered salary, and the Authority is required to contribute at an actuarially determined rate. The employer's rate at June 30, 2025 and 2024, was 17.90% and 17.40%, respectively, of annual covered payroll. The contribution requirements of PERS members and employers are established and may be amended only by the State of Mississippi Legislature. The Authority's contributions (employer share only) to PERS for the years ended June 30, 2025, 2024 and 2023 were \$31,721, \$29,885 and \$26,161, respectively, equal to the required contributions for each year.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions - At June 30, 2025 and 2024, the Authority reported a liability of \$545,316 and \$503,026, respectively, for its proportionate share of the 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 that date. The Authority's proportion of the net pension liability was based on a projection of the Authority's long-term share of contribution to the pension plan relative to projected contributions of all participating entities, actuarially determined. The Authority's proportionate share used to calculate the June 30, 2025 net pension liability was .002% which was based on a measurement date of June 30, 2024. There was no change from its proportionate share used to calculate the June 30, 2024 net pension liability, which was based on a measurement date of June 30, 2023.

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE THIRTEEN
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Cont.)

For the years ended June 30, 2025 and 2024, the Authority recognized pension expense of \$96,885 and \$91,672, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	June 30,			
	2025		2024	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 21,052	\$ -	\$ 9,087	\$ -
Net difference between projected and actual earnings on pension plan investments	1,445	-	15,745	-
Changes of assumptions	24,235	-	42,612	-
Changes in the proportion and differences between the Authority's contributions and proportionate share of contributions	-	16,741	-	12,743
Authority contributions subsequent to the measurement date	31,721	-	29,885	-
Total	\$ 78,453	\$ 16,741	\$ 97,329	\$ 12,743

\$31,721 reported as deferred outflows of resources related to pensions resulting from Authority contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
2026	\$ 18,191	\$ 4,729
2027	18,191	4,729
2028	9,988	4,729
2029	362	2,554
Total	\$ 46,732	\$ 16,741

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE FOURTEEN
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Cont.)

Actuarial Assumptions - The total pension liability in the June 30, 2025 and 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods in the measurement:

Inflation	2.40%
Salary increases	2.65% - 17.90%, including inflation
Investment rate of return	7.00%, net of pension plan investment expense, including inflation at June 30, 2025 and 2024

Mortality rates were based on the PubS.H-2010(B) Retiree Table with the following adjustments: For males, 95.00% of male rates up to age 60, 110.00% for ages 61 to 75 and 101.00% for ages above 77. For females, 84.00% of female rates up to age 72 and 100.00% for ages above 76. Mortality rates for disability retirees were based on the PubG.H-2010 Disabled Table adjusted 134.00% for males and 121.00% for females. Mortality rates for Contingent Annuitants were based on the PubS.H-2010(B) Contingent Annuitant Table, adjusted 97.00% for males and 110.00% for females. Mortality rates will be projected generationally using the MP-2020 projection scale to account for future improvements in life expectancy.

The actuarial assumptions used for the purposes of determining the total pension liability were based on the results of an actuarial experience study for the four-year period from July 1, 2018 to June 30, 2022. The experience report is dated April 21, 2023.

The long-term expected rate of return on pension plan investments was determined using a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected nominal returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The most recent target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2025 are summarized in the following table:

(See Table on Next Page)

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE FIFTEEN
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Cont.)

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	25.00%	5.15%
International equity	20.00	5.00
Global equity	12.00	5.15
Fixed income	18.00	2.75
Real estate	10.00	3.50
Private equity	10.00	6.25
Infrastructure	2.00	3.85
Private credit	2.00	4.90
Cash equivalents	1.00	0.50
Total	100.00%	

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class as of June 30, 2024 is summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	27.00%	4.75%
International equity	22.00	4.75
Global equity	12.00	4.95
Fixed income	20.00	1.75
Real estate	10.00	3.25
Private equity	8.00	6.00
Cash equivalents	1.00	0.25
Total	100.00%	

Discount rate - The discount rate used to measure the total pension liability was 7.00% as of June 30, 2025 and 2024. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate (9.00%) and that employer contributions will be phased in to 19.90% over five fiscal years (17.90% for FYE 2025, 18.40% for FYE 2026, 18.90% for FYE 2027, 19.40% for FYE 2028 and 19.90% for FYE 2029 and beyond).

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

PAGE SIXTEEN

YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Cont.)

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity to the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following tables present the Authority's proportionate share of the net pension liability at June 30, 2025 and 2024, calculated using the discount rate of 7.00% 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 1-percentage-point lower, or 1-percentage-point higher than the current rate:

	June 30, 2025		
	1.00% Decrease (6.00%)	Discount Rate (7.00%)	1.00% Increase (8.00%)
Authority's proportionate share of the net pension liability	<u>\$ 706,809</u>	<u>\$ 545,316</u>	<u>\$ 413,146</u>
	June 30, 2024		
	1.00% Decrease (6.00%)	Discount Rate (7.00%)	1.00% Increase (8.00%)
Authority's proportionate share of the net pension liability	<u>\$ 648,665</u>	<u>\$ 503,026</u>	<u>\$ 383,514</u>

Pension Plan Fiduciary Net Position - Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial report.

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE SEVENTEEN
YEARS ENDED JUNE 30, 2025 AND 2024**

NOTE 7 - CLOSURE AND POST-CLOSURE CARE COSTS

State and federal laws and regulations require the Authority 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. Although closure and post-closure care costs will be paid only near or after the date that the landfill stops accepting waste, the Authority reports a portion of these closure and post-closure care costs as an operating expense in each period based on landfill capacity used as of each statement of net position date.

As of June 30, 2025 and 2024, the Authority has accrued a liability in the amount of \$5,699,267 and \$4,776,828, respectively, for closure and post-closure care costs for both the landfill and rubbish sites. Amounts are estimated based on what it would cost to perform all closure and post-closure care in 2025 and 2024, respectively. Actual costs may be higher due to inflation, change in technology, or changes in regulations.

A reconciliation of current year income related to closure and post-closure is as follows:

	June 30,	
	2025	2024
Actual cash transfers to trust fund	\$ 191,972	\$ 195,850
Adjustment of liability for operating fund	730,467	41,286
Fees	7,540	5,881
Total expense	\$ 929,979	\$ 243,017

The Authority is required by state and federal laws and regulations to make annual contributions to a trust to finance closure and post-closure care for the landfill. The Authority is in compliance with these requirements, and at June 30, 2025 and 2024, amounts of \$5,821,627 and \$5,368,620, respectively, are held in trust for these purposes. Although not currently required by state or federal laws and regulations, management has designated \$68,886 at both June 30, 2025 and 2024, for closure costs related to the rubbish site which is included in the trust amounts noted above. These funds are reported as restricted cash and cash equivalents on the statement of net position. The Authority 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 will need to be covered by the Authority.

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO FINANCIAL STATEMENTS

PAGE EIGHTEEN

YEARS ENDED JUNE 30, 2025 AND 2024

NOTE 7 - CLOSURE AND POST-CLOSURE CARE COSTS (Cont.)

The Authority is currently operating under a long-term Regional Solid Waste Master Plan. This Plan allows for the construction and use of Cells 1-9. The remaining life at June 30, 2025 and 2024 is estimated to be 14.31 and 14.19 years, respectively, including cells currently under construction. The percentage of constructed landfill capacity used to date is 82.21% and 81.23%, respectively, at June 30, 2025 and 2024.

NOTE 8 - COMMITMENTS AND CONTINGENCIES

Substantially all of the Authority's facilities are subject to federal, state and local provisions regulating the discharge of materials into the environment. Compliance with these provisions has not had, nor does the Authority expect such compliance to have, any material effect upon capital purchases, change in net position or financial condition of the Authority, as all related expenses are appropriately accounted for in the budgeting process. Management believes that its current practices and procedures for the control and disposition of such waste comply with applicable federal and state requirements.

The Authority added \$233,807 and \$4,919,397 in construction costs for fiscal years ended June 30, 2025 and 2024, respectively, which was also reported on the Statement of Net Position in capital assets not being depreciated. Additional costs are expected to be incurred over the next several years.

NOTE 9 - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the years ended June 30, 2025 and 2024, the Authority carried insurance through a commercial carrier to cover risks of losses. The Authority has had no settled claims resulting from these risks that exceeded its commercial coverage in any of the past two fiscal years.

NOTE 10 - SUBSEQUENT EVENT

Events that occur after the Statement of Net Position date but before the financial statements are available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the Statement of Net Position date are recognized in the accompanying financial statements. Subsequent events, which provide evidence about conditions that existed after the Statement of Net Position date, require disclosure in the accompanying notes. Management of the Authority evaluated the activity through October 3, 2025 (the date the financial statements were available to be issued), and determined that no subsequent events have occurred requiring disclosure in the notes to the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE 1

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**SCHEDULE OF THE AUTHORITY'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST 10 FISCAL YEARS* - UNAUDITED
YEAR ENDED JUNE 30, 2025**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the net pension liability (asset)	0.002%	0.002%	0.002%	0.002%	0.002%	0.002%	0.002%	0.002%	0.002%	0.002%
Authority's proportionate share of the net pension liability (asset)	\$ 545,316	\$ 503,026	\$ 411,673	\$ 295,609	\$ 387,177	\$ 351,839	\$ 332,659	\$ 332,468	\$ 357,250	\$ 309,160
Covered payroll	\$ 177,211	\$ 171,750	\$ 150,352	\$ 135,535	\$ 130,423	\$ 125,353	\$ 119,673	\$ 115,984	\$ 116,179	\$ 132,801
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	307.72%	292.88%	273.81%	218.11%	296.86%	280.68%	277.97%	286.65%	307.50%	232.80%
Plan fiduciary net position as a percentage of the total pension liability	56.30%	55.70%	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%

* The amounts presented for each fiscal year were determined as of the twelve months ended at the measurement date of June 30 of the fiscal year presented.

The accompanying notes to the required supplemental information are an integral part of this schedule.

SCHEDULE 2

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**SCHEDULE OF AUTHORITY CONTRIBUTIONS
LAST 10 FISCAL YEARS - UNAUDITED
YEAR ENDED JUNE 30, 2025**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 31,721	\$ 29,885	\$ 26,161	\$ 23,583	\$ 22,692	\$ 21,650	\$ 18,849	\$ 18,267	\$ 18,298	\$ 20,916
Contributions in relation to the contractually required contribution	<u>31,721</u>	<u>29,885</u>	<u>26,161</u>	<u>23,583</u>	<u>22,692</u>	<u>21,650</u>	<u>18,849</u>	<u>18,267</u>	<u>18,298</u>	<u>20,916</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 177,211	\$ 171,750	\$ 150,352	\$ 135,535	\$ 130,423	\$ 125,353	\$ 119,693	\$ 115,984	\$ 116,179	\$ 132,801
Contributions as a percentage of covered payroll	17.90%	17.40%	17.40%	17.40%	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%

The accompanying notes to the required supplemental information are an integral part of this schedule.

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
YEAR ENDED JUNE 30, 2025**

NOTE 1 - PENSION SCHEDULES

A. Changes of Assumptions

2015

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Table projected to 2016 using Scale BB rather than the RP-2000 Mortality Table, which was used prior to 2015.

The expectation of disabled mortality was changed to the RP-2014 Disabled Retiree Table, rather than the RP-2000 Disabled Mortality Table, which was used prior to 2015.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

Assumed rates of salary increase were adjusted to more closely reflect actual and anticipated experience.

The price inflation and investment rate of return assumptions were changed from 3.50% to 3.00% and 8.00% to 7.75%, respectively.

2016

The assumed rate of interest credited to employee contributions was changed from 3.50% to 2.00%.

2017

The expectation of retired life mortality was changed to the RP-2014 Healthy Annuitant Blue Collar Mortality Table projected with Scale BB to 2022. Small adjustments were also made to the Mortality Table for disabled lives.

The wage inflation assumptions was reduced from 3.75% to 3.25%.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to more closely reflect actual experience.

The percentage of active member disabilities assumed to be in the line of duty was increased from 6.00% to 7.00%.

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

PAGE TWO

YEAR ENDED JUNE 30, 2025

NOTE 1 - PENSION SCHEDULES (Cont.)

A. Changes of Assumptions (Cont.)

2019

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

- For males, 112.00% of male rates from ages 18 to 75 scaled down to 105.00% for ages 80 to 119.
- For females, 85.00% of the female rates from ages 18 to 65 scaled up to 102.00% for ages 75 to 119.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The expectation of disabled mortality was changed to PubT.H-2010 Disabled Retiree Table for disabled retirees with the following adjustments:

- For males, 137.00% of male rates at all ages.
- For females, 115.00% of female rates at all ages.
- Projection scale MP-2018 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 3.00% to 2.75%.

The wage inflation assumption was reduced from 3.25% to 3.00%.

Withdrawal rates, pre-retirement mortality rates, and service retirement rates were also adjusted to reflect actual experience more closely.

The percentage of active member disabilities assumed to be in the line of duty was increased from 7.00% to 9.00%.

2021

The expectation of retired life mortality was changed to the PubS.H-2010(B) Retiree Table with the following adjustments:

- For males, 95.00% of male rates up to age 60, 110.00% for ages 61 to 75, and 101.00% for ages above 77.
- For females, 84.00% of female rates up to age 72, 100.00% for ages above 76.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

PAGE THREE

YEAR ENDED JUNE 30, 2025

NOTE 1 - PENSION SCHEDULES (Cont.)

A. Changes of Assumptions (Cont.)

The expectation of disabled mortality was changed to PubG.H-2010 Disabled Table for disabled retirees with the following adjustments:

- For males, 134.00% of male rates at all ages.
- For females, 121.00% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The expectation of contingent annuitant mortality was based on the PubS.H-2010(B) Contingent Annuitant Table with the following adjustments:

- For males, 97.00% of male rates at all ages.
- For females, 110.00% of female rates at all ages.
- Projection scale MP-2020 will be used to project future improvements in life expectancy generationally.

The price inflation assumption was reduced from 2.75% to 2.40%.

The wage inflation assumption was reduced from 3.00% to 2.65%.

The investment rate of return assumption was changed from 7.75% to 7.55%.

The assumed load for administrative expenses was increased from 0.25% to 0.28% of payroll.

Withdrawal rates, pre-retirement mortality rates, disability rates and service retirement rates were also adjusted to reflect actual experience more closely.

The percentage of active member disabilities assumed to be in the line of duty was increased from 9.00% to 12.00%.

The percentage of active member deaths assumed to be in the line of duty was decreased from 6.00% to 4.00%.

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

PAGE FOUR

YEAR ENDED JUNE 30, 2025

NOTE 1 - PENSION SCHEDULES (Cont.)

A. Changes of Assumptions (Cont.)

2023

The investment rate of return assumption was changed from 7.55% to 7.00%.

The assumed load for administrative expenses was decreased from 0.28% to 0.26% of payroll.

Withdrawal rates, disability rates and service retirement rates were adjusted to reflect actual experience more closely.

The percentage of participants assumed to receive a deferred benefit upon attaining the eligibility requirements for retirement was increased from 60.00% to 65.00%.

For married members, the number of years that a male is assumed to be older than his spouse was changed from 3 years to 2 years.

The assumed amount of unused sick leave at retirement was increased from 0.50 years to 0.55 years.

The assumed average number of years of military service that participants will have at retirement was decreased from 0.25 years to 0.20 years.

B. Changes in Benefit Provisions

2016

Effective July 1, 2016, the interest rate on employee contributions shall be calculated based on the money market rate as published by the Wall Street Journal on December 31 of each preceding year with a minimum rate of one percent and a maximum rate of five percent.

C. Method and Assumptions Used in Calculations of Actuarially Determined Contributions

The actuarially determined contribution rates in the schedule of employer contributions are calculated as of June 30, two years prior to the end of the fiscal year in which contributions are reported (June 30, 2022 and 2021 valuations for the pension plan's June 30, 2024 and 2023 fiscal year ends, respectively).

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

PAGE FIVE

YEAR ENDED JUNE 30, 2025

NOTE 1 - PENSION SCHEDULES (Cont.)

C. Method and Assumptions Used in Calculations of Actuarially Determined Contributions (Cont.)

The following actuarial methods and assumptions were used to determine the most recent contribution rate reported in the schedule:

Actuarial cost method	Entry age
Amortization method	Level percentage of payroll, open
Remaining amortization period	25.6 years
Asset valuation method	5-year smoothed market
Price inflation	2.40%
Salary increase	2.65% to 17.90%, including inflation
Investment rate of return	7.55%, net of pension plan investment expense, including inflation

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SUPPLEMENTARY INFORMATION

SCHEDULE 3

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025**

	Operating Fund	Waste Tire Fund	Rubbish Fund	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents, unrestricted	\$ 12,673,357	\$ 331,516	\$ 104,541	\$ 13,109,414
Accounts receivable	1,453,381	-	-	1,453,381
Grant receivable - waste tire	-	37,613	-	37,613
Prepaid insurance	2,157	-	-	2,157
Total current assets	14,128,895	369,129	104,541	14,602,565
CAPITAL ASSETS				
Capital assets not being depreciated	362,141	-	-	362,141
Capital assets being depreciated	30,756,276	49,339	44,425	30,850,040
Less: accumulated depreciation	(19,668,225)	(49,339)	(32,282)	(19,749,846)
Total capital assets being depreciated, net	11,088,051	-	12,143	11,100,194
Total capital assets, net	11,450,192	-	12,143	11,462,335
NON-CURRENT ASSETS				
Cash and cash equivalents, restricted	5,752,741	-	68,886	5,821,627
Total non-current assets	5,752,741	-	68,886	5,821,627
Total assets	31,331,828	369,129	185,570	31,886,527
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	78,453	-	-	78,453
Total deferred outflows of resources	78,453	-	-	78,453

See independent auditors report.

SCHEDULE 3
PAGE TWO

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**COMBINING STATEMENT OF NET POSITION
JUNE 30, 2025**

	Operating Fund	Waste Tire Fund	Rubbish Fund	Total
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 511,298	\$ 6,197	\$ -	\$ 517,495
Host county fees payable	279,884	-	-	279,884
State disposal fees payable	302,362	-	-	302,362
Accrued payroll expense	127	-	-	127
Bonds payable, due within one year	915,000	-	-	915,000
Total current liabilities	2,008,671	6,197	-	2,014,868
NON-CURRENT LIABILITIES				
Accrued liability - closure/post-closure care	5,630,381	-	68,886	5,699,267
Net pension liability	545,316	-	-	545,316
Bonds payable, due after one year	3,240,000	-	-	3,240,000
Total non-current liabilities	9,415,697	-	68,886	9,484,583
Total liabilities	11,424,368	6,197	68,886	11,499,451
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	16,741	-	-	16,741
Total deferred inflows of resources	16,741	-	-	16,741
NET POSITION				
Net investment in capital assets	7,295,192	-	12,143	7,307,335
Restricted for:				
Closure/post-closure care	122,360	-	-	122,360
Unrestricted	12,551,620	362,932	104,541	13,019,093
Total net position	\$ 19,969,172	\$ 362,932	\$ 116,684	\$ 20,448,788

See independent auditors report.

SCHEDULE 4

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
YEAR ENDED JUNE 30, 2025**

	Operating Fund	Waste Tire Fund	Rubbish Fund	Total
OPERATING REVENUES				
Disposal fees	\$ 11,406,016	\$ -	\$ -	\$ 11,406,016
Waste tire grant	-	24,770	-	24,770
Other income	36,147	-	-	36,147
Total operating revenues	<u>11,442,163</u>	<u>24,770</u>	<u>-</u>	<u>11,466,933</u>
OPERATING EXPENSES				
Closure/post-closure care costs	929,979	-	-	929,979
Depreciation	2,123,969	-	-	2,123,969
Dues and subscriptions	9,567	701	702	10,970
Employee training	843	-	-	843
Host county fee	279,884	-	-	279,884
Insurance	57,785	-	-	57,785
Leachate fees	97,319	-	-	97,319
Miscellaneous	12,681	316	233	13,230
Office supplies	3,695	-	-	3,695
Operating fee - landfill	3,214,105	-	-	3,214,105
Other fees	561	-	-	561
Payroll taxes	13,186	-	-	13,186
Pension expense	96,885	-	-	96,885
Postage	814	-	-	814
Professional fees	125,709	-	-	125,709
Repairs and maintenance	165,277	-	-	165,277
Salaries	177,211	-	-	177,211
State disposal fees	203,009	-	-	203,009
Telephone	1,800	-	-	1,800
Testing costs	66,377	-	-	66,377
Transfer haul fees	1,616,095	-	-	1,616,095
Travel	7,329	-	-	7,329
Vehicle expense	3,373	-	-	3,373
Total operating expenses	<u>9,207,453</u>	<u>1,017</u>	<u>935</u>	<u>9,209,405</u>

See independent auditors report.

SCHEDULE 4
PAGE TWO

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
YEAR ENDED JUNE 30, 2025**

	<u>Operating Fund</u>	<u>Waste Tire Fund</u>	<u>Rubbish Fund</u>	<u>Total</u>
OPERATING INCOME	<u>\$ 2,234,710</u>	<u>\$ 23,753</u>	<u>\$ (935)</u>	<u>\$ 2,257,528</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest earned	725,769	12,209	7,291	745,269
Gain on sale of asset	5,725	-	-	5,725
Interest expense	(200,656)	-	-	(200,656)
Investment trustee fees	<u>(3,000)</u>	<u>-</u>	<u>-</u>	<u>(3,000)</u>
Total non-operating revenues (expenses)	<u>527,838</u>	<u>12,209</u>	<u>7,291</u>	<u>547,338</u>
CHANGES IN NET POSITION	2,762,548	35,962	6,356	2,804,866
NET POSITION, Beginning	<u>17,206,624</u>	<u>326,970</u>	<u>110,328</u>	<u>17,643,922</u>
NET POSITION, Ending	<u><u>\$ 19,969,172</u></u>	<u><u>\$ 362,932</u></u>	<u><u>\$ 116,684</u></u>	<u><u>\$ 20,448,788</u></u>

See independent auditors report.

SCHEDULE 5

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024**

	Operating Fund	Waste Tire Fund	Rubbish Fund	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents, unrestricted	\$ 8,268,876	\$ 283,443	\$ 98,185	\$ 8,650,504
Accounts receivable	1,483,010	-	-	1,483,010
Grant receivable - waste tire	-	50,844	-	50,844
Prepaid insurance	42,808	-	-	42,808
Total current assets	<u>9,794,694</u>	<u>334,287</u>	<u>98,185</u>	<u>10,227,166</u>
CAPITAL ASSETS				
Capital assets not being depreciated	<u>7,055,180</u>	<u>-</u>	<u>-</u>	<u>7,055,180</u>
Capital assets being depreciated	23,855,794	49,339	44,425	23,949,558
Less: Accumulated depreciation	<u>(17,570,620)</u>	<u>(49,339)</u>	<u>(32,282)</u>	<u>(17,652,241)</u>
Total capital assets being depreciated, net	<u>6,285,174</u>	<u>-</u>	<u>12,143</u>	<u>6,297,317</u>
Total capital assets, net	<u>13,340,354</u>	<u>-</u>	<u>12,143</u>	<u>13,352,497</u>
NON-CURRENT ASSETS				
Cash and cash equivalents, restricted	<u>5,299,734</u>	<u>-</u>	<u>68,886</u>	<u>5,368,620</u>
Total non-current assets	<u>5,299,734</u>	<u>-</u>	<u>68,886</u>	<u>5,368,620</u>
Total assets	<u>28,434,782</u>	<u>334,287</u>	<u>179,214</u>	<u>28,948,283</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>97,329</u>	<u>-</u>	<u>-</u>	<u>97,329</u>
Total deferred outflows of resources	<u>97,329</u>	<u>-</u>	<u>-</u>	<u>97,329</u>

See independent auditors report.

SCHEDULE 5
PAGE TWO

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**COMBINING STATEMENT OF NET POSITION
JUNE 30, 2024**

	Operating Fund	Waste Tire Fund	Rubbish Fund	Total
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 476,325	\$ 7,317	\$ -	\$ 483,642
Host county fees payable	280,133	-	-	280,133
State disposal fees payable	310,126	-	-	310,126
Accrued payroll expense	192	-	-	192
Bonds payable, due within one year	880,000	-	-	880,000
Total current liabilities	<u>1,946,776</u>	<u>7,317</u>	<u>-</u>	<u>1,954,093</u>
NON-CURRENT LIABILITIES				
Accrued liability - closure/post-closure care	4,707,942	-	68,886	4,776,828
Net pension liability	503,026	-	-	503,026
Bonds payable, due after one year	4,155,000	-	-	4,155,000
Total non-current liabilities	<u>9,365,968</u>	<u>-</u>	<u>68,886</u>	<u>9,434,854</u>
Total liabilities	<u>11,312,744</u>	<u>7,317</u>	<u>68,886</u>	<u>11,388,947</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	<u>12,743</u>	<u>-</u>	<u>-</u>	<u>12,743</u>
Total deferred inflows of resources	<u>12,743</u>	<u>-</u>	<u>-</u>	<u>12,743</u>
NET POSITION				
Net investment in capital assets	8,305,354	-	12,143	8,317,497
Restricted for:				
Closure/post-closure care	591,792	-	-	591,792
Unrestricted	<u>8,309,478</u>	<u>326,970</u>	<u>98,185</u>	<u>8,734,633</u>
Total net position	<u>\$ 17,206,624</u>	<u>\$ 326,970</u>	<u>\$ 110,328</u>	<u>\$ 17,643,922</u>

See independent auditors report.

SCHEDULE 6

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
YEAR ENDED JUNE 30, 2024**

	Operating Fund	Waste Tire Fund	Rubbish Fund	Total
OPERATING REVENUES				
Disposal fees	\$ 10,339,691	\$ -	\$ -	\$ 10,339,691
Waste tire grant	-	13,711	-	13,711
Other income	5,452	-	-	5,452
Total operating revenues	10,345,143	13,711	-	10,358,854
OPERATING EXPENSES				
Closure/post-closure care costs	243,017	-	-	243,017
Depreciation	781,949	-	-	781,949
Dues and subscriptions	9,217	711	704	10,632
Host county fee	280,133	-	-	280,133
Insurance	53,707	-	-	53,707
Leachate fees	79,455	-	-	79,455
Miscellaneous	9,598	316	239	10,153
Office supplies	3,380	-	-	3,380
Operating fee - landfill	3,020,395	-	-	3,020,395
Payroll taxes	12,737	-	-	12,737
Pension expense	91,672	-	-	91,672
Postage	837	-	-	837
Professional fees	205,768	-	-	205,768
Repairs and maintenance	71,789	-	-	71,789
Salaries	171,750	-	-	171,750
State disposal fees	206,158	-	-	206,158
Telephone	1,810	-	-	1,810
Testing costs	50,667	-	-	50,667
Transfer haul fees	1,562,326	-	-	1,562,326
Travel	6,779	-	-	6,779
Vehicle expense	4,695	-	-	4,695
Total operating expenses	6,867,839	1,027	943	6,869,809

See independent auditors report.

SCHEDULE 6
PAGE TWO

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION
YEAR ENDED JUNE 30, 2024**

	Operating Fund	Waste Tire Fund	Rubbish Fund	Total
OPERATING INCOME	<u>\$ 3,477,304</u>	<u>\$ 12,684</u>	<u>\$ (943)</u>	<u>\$ 3,489,045</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest earned	691,379	13,368	8,203	712,950
Interest expense	(232,088)	-	-	(232,088)
Investment trustee fees	(3,000)	-	-	(3,000)
Bond issuance expense	<u>(57,309)</u>	<u>-</u>	<u>-</u>	<u>(57,309)</u>
Total non-operating revenues (expenses)	<u>398,982</u>	<u>13,368</u>	<u>8,203</u>	<u>420,553</u>
CHANGES IN NET POSITION	<u>3,876,286</u>	<u>26,052</u>	<u>7,260</u>	<u>3,909,598</u>
NET POSITION, Beginning	<u>13,330,338</u>	<u>300,918</u>	<u>103,068</u>	<u>13,734,324</u>
NET POSITION, Ending	<u><u>\$ 17,206,624</u></u>	<u><u>\$ 326,970</u></u>	<u><u>\$ 110,328</u></u>	<u><u>\$ 17,643,922</u></u>

See independent auditors report.

OTHER REPORT

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

To the Board of Commissioners
Pine Belt Regional Solid Waste Management Authority
Petal, Mississippi

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of Pine Belt Regional Solid Waste Management Authority (the Authority) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated October 3, 2025.

Report on Internal Control over Financial Reporting

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

- 44 -



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To the Board of Commissioners
Pine Belt Regional Solid Waste Management Authority

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 Authority'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 Authority'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 Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Hattiesburg, Mississippi
October 3, 2025