

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

Years Ended June 30, 2023 and 2022

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

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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, 2023 and 2022, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

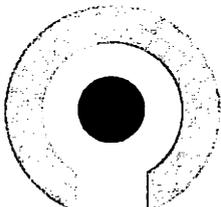
In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2023 and 2022, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Authority's 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.



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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 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, 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 35 - 42 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. Such 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 November 7, 2023, 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.

A handwritten signature consisting of the letters 'T', 'M', and 'H' in a stylized, cursive font. The 'T' is the largest and most prominent, with a horizontal bar extending to the left. The 'M' and 'H' are smaller and positioned to the right of the 'T'.

Hattiesburg, Mississippi
November 7, 2023

FINANCIAL STATEMENTS

EXHIBIT A

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**STATEMENTS OF NET POSITION
JUNE 30, 2023 AND 2022**

	June 30,	
	<u>2023</u>	<u>2022</u>
ASSETS		
<i>CURRENT ASSETS</i>		
Cash and cash equivalents, unrestricted	\$ 8,613,118	\$ 11,030,491
Accounts receivable	1,218,465	787,432
Grant receivable - waste tire	50,001	135,466
Prepaid insurance	1,822	26,244
Total current assets	<u>9,883,406</u>	<u>11,979,633</u>
<i>CAPITAL ASSETS</i>		
Capital assets not being depreciated	<u>3,116,780</u>	<u>2,620,103</u>
Capital assets being depreciated	22,916,152	20,413,594
Less: Accumulated depreciation	<u>(16,870,292)</u>	<u>(15,857,443)</u>
Total capital assets being depreciated, net	<u>6,045,860</u>	<u>4,556,151</u>
Total capital assets, net	<u>9,162,640</u>	<u>7,176,254</u>
<i>NON-CURRENT ASSETS</i>		
Cash and cash equivalents, restricted	4,905,062	4,579,978
Other deposits	-	65
Total non-current assets	<u>4,905,062</u>	<u>4,580,043</u>
Total assets	<u>23,951,108</u>	<u>23,735,930</u>
<i>DEFERRED OUTFLOWS OF RESOURCES</i>		
Deferred outflows related to pensions	<u>58,146</u>	<u>43,550</u>
Total deferred outflows of resources	<u>58,146</u>	<u>43,550</u>

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, 2023 AND 2022**

	June 30,	
	<u>2023</u>	<u>2022</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable	\$ 2,370,140	\$ 1,277,084
Host county fees payable	271,075	256,690
State disposal fees payable	294,224	273,404
Bonds payable, due within one year	200,000	725,000
Total current liabilities	<u>3,135,439</u>	<u>2,532,178</u>
NON-CURRENT LIABILITIES		
Accrued liability - closure/post-closure care	4,539,692	4,148,617
Net pension liability	411,673	295,609
Bonds payable, due after one year	2,185,000	2,385,000
Total non-current liabilities	<u>7,136,365</u>	<u>6,829,226</u>
Total liabilities	<u>10,271,804</u>	<u>9,361,404</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred inflows related to contracts	-	1,825,000
Deferred inflows related to pensions	3,126	84,007
Total deferred inflows of resources	<u>3,126</u>	<u>1,909,007</u>
NET POSITION		
Net investment in capital assets	6,777,640	4,066,254
Restricted for:		
Closure/post-closure care	365,370	431,361
Unrestricted	6,591,314	8,011,454
Total net position	<u>\$ 13,734,324</u>	<u>\$ 12,509,069</u>

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, 2023 AND 2022**

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
OPERATING REVENUES		
Disposal fees	\$ 8,482,648	\$ 7,365,238
Waste tire grant	24,094	22,861
Other income	4,928	2,936
Total operating revenues	<u>8,511,670</u>	<u>7,391,035</u>
OPERATING EXPENSES		
Closure/post-closure care costs	395,341	302,095
Depreciation	1,012,849	826,500
Dues and subscriptions	7,825	2,160
Employee training	-	919
Host county fee	271,075	256,690
Insurance	45,272	43,747
Leachate fees	86,620	49,936
Miscellaneous	4,552	1,339
Office supplies	4,337	3,813
Operating fee - landfill	3,017,524	2,543,917
Other fees	289	988
Payroll taxes	11,133	10,027
Pension expense	46,748	4,509
Postage	1,091	948
Professional fees	106,150	130,501
Repairs and maintenance	364,016	59,645
Salaries	150,352	135,535
State disposal fees	205,696	184,660
Telephone	1,531	2,410
Testing costs	62,774	27,902
Tire disposal	5,122	-
Transfer haul fees	1,772,209	1,643,887
Travel	7,029	8,981
Vehicle expense	4,446	4,235
Total operating expenses	<u>7,583,981</u>	<u>6,245,344</u>

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, 2023 AND 2022**

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
<i>OPERATING INCOME</i>	<u>\$ 927,689</u>	<u>\$ 1,145,691</u>
<i>NON-OPERATING REVENUES (EXPENSES)</i>		
Interest earned	346,020	31,243
Insurance settlement	31,942	-
Interest expense	(80,396)	(94,507)
Investment trustee fees	-	(1,500)
Total non-operating revenues (expenses)	<u>297,566</u>	<u>(64,764)</u>
<i>CHANGE IN NET POSITION</i>	1,225,255	1,080,927
<i>NET POSITION, Beginning</i>	<u>12,509,069</u>	<u>11,428,142</u>
<i>NET POSITION, Ending</i>	<u><u>\$ 13,734,324</u></u>	<u><u>\$ 12,509,069</u></u>

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, 2023 AND 2022**

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
<i>CASH FLOWS FROM OPERATING ACTIVITIES</i>		
Receipts from customers	\$ 8,051,679	\$ 7,560,376
Payments to suppliers	(4,819,141)	(4,760,913)
Payments to employees	(187,646)	(169,145)
Other receipts (payments)	(1,710,512)	1,787,359
Net cash provided by operating activities	<u>1,334,380</u>	<u>4,417,677</u>
<i>CASH FLOWS FROM FINANCING ACTIVITIES</i>		
Principal payments	(725,000)	(695,002)
Interest payments on debt	(80,396)	(94,507)
Bond issuance costs and fiscal fees	-	(1,500)
Net cash used by financing activities	<u>(805,396)</u>	<u>(791,009)</u>
<i>CASH FLOWS FROM INVESTING ACTIVITIES</i>		
Interest earnings	346,020	31,243
Proceeds from insurance settlement	31,942	-
Purchase and construction of capital assets	(2,999,235)	(1,274,570)
Net cash used by investing activities	<u>(2,621,273)</u>	<u>(1,243,327)</u>
<i>NET INCREASE (DECREASE) IN CASH</i>	(2,092,289)	2,383,341
<i>CASH BALANCES:</i>		
Beginning of fiscal year	<u>15,610,469</u>	<u>13,227,128</u>
End of fiscal year	<u>\$ 13,518,180</u>	<u>\$ 15,610,469</u>
<i>Displayed on the Statement of Net Position (Exhibit A) as:</i>		
Cash and cash equivalents, unrestricted	\$ 8,613,118	\$ 11,030,491
Cash and cash equivalents, restricted	<u>4,905,062</u>	<u>4,579,978</u>
Total cash balances	<u>\$ 13,518,180</u>	<u>\$ 15,610,469</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, 2023 AND 2022**

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Operating income	\$ 927,689	\$ 1,145,691
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	1,012,849	826,500
(Increase) decrease in:		
Accounts receivable	(431,033)	195,138
Grant receivable - waste tire	85,465	(63,438)
Prepaid insurance	24,422	(93)
Other deposits	65	-
Deferred outflows	(14,596)	(4,118)
Increase (decrease) in:		
Accounts payable	1,093,056	185,848
Host county fees payable	14,385	8,243
State disposal fees payable	20,820	11,917
Accrued liability - closure/post-closure care	391,075	301,945
Net pension liability	116,064	(91,568)
Deferred inflows related to contracts	(1,825,000)	1,825,000
Deferred inflows related to pensions	(80,881)	76,612
Net cash provided by operating activities	<u>\$ 1,334,380</u>	<u>\$ 4,417,677</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, 2023 AND 2022

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 fourteen 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, 2023 AND 2022**

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, 2023 and 2022, 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, 2023 and 2022.

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, 2023 AND 2022**

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 Contracts - This amount represents the deferred inflows of resources incurred from closeout of landfill operator contract.

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, 2023 AND 2022**

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.

Reclassifications - Certain prior year amounts have been reclassified for consistency with the current period presentation. These reclassifications had no effect on the reported results of operations.

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE FIVE
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 2 - CASH AND INVESTMENTS

A summary of cash and trust account balances at June 30, 2023 is as follows:

	<u>Operating Fund</u>	<u>Waste Tire Fund</u>	<u>Rubbish Fund</u>	<u>Total</u>
Unrestricted:				
Petty cash	\$ 303	\$ -	\$ -	\$ 303
Undesignated	3,111,474	257,350	90,925	3,459,749
Designated for future construction	5,074,202	-	-	5,074,202
Designated for debt service	78,864	-	-	78,864
Total unrestricted	<u>8,264,843</u>	<u>257,350</u>	<u>90,925</u>	<u>8,613,118</u>
Restricted:				
Closure/post-closure care	4,836,176	-	68,886	4,905,062
Total restricted	<u>4,836,176</u>	<u>-</u>	<u>68,886</u>	<u>4,905,062</u>
Total	<u>\$ 13,101,019</u>	<u>\$ 257,350</u>	<u>\$ 159,811</u>	<u>\$ 13,518,180</u>

A summary of cash and trust account balances at June 30, 2022 is as follows:

	<u>Operating Fund</u>	<u>Waste Tire Fund</u>	<u>Rubbish Fund</u>	<u>Total</u>
Unrestricted:				
Petty cash	\$ 303	\$ -	\$ -	\$ 303
Undesignated	3,505,789	148,327	87,575	3,741,691
Designated for future construction	7,288,058	-	-	7,288,058
Designated for debt service	439	-	-	439
Total unrestricted	<u>10,794,589</u>	<u>148,327</u>	<u>87,575</u>	<u>11,030,491</u>
Restricted:				
Closure/post-closure care	4,511,092	-	68,886	4,579,978
Total restricted	<u>4,511,092</u>	<u>-</u>	<u>68,886</u>	<u>4,579,978</u>
Total	<u>\$ 15,305,681</u>	<u>\$ 148,327</u>	<u>\$ 156,461</u>	<u>\$ 15,610,469</u>

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
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YEARS ENDED JUNE 30, 2023 AND 2022**

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, 2023, the carrying amount of the Authority's deposits was \$13,518,180 and the bank balance was \$14,161,060. The bank balance is categorized as follows:

Amount collateralized with securities held in the State of Mississippi collateral pool on behalf of the Authority	\$ 2,470,728
Amount covered by FDIC	<u>11,690,332</u>
Total	<u>\$ 14,161,060</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, 2023 AND 2022**

NOTE 3 - CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2023 was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 260,441	\$ -	\$ -	\$ 260,441
Construction in progress	2,359,662	2,999,235	(2,502,558)	2,856,339
Total capital assets not being depreciated	<u>2,620,103</u>	<u>2,999,235</u>	<u>(2,502,558)</u>	<u>3,116,780</u>
Capital assets being depreciated:				
Buildings and improvements	8,433,701	2,502,558	-	10,936,259
Landfill cells	11,828,273	-	-	11,828,273
Rubbish site	44,425	-	-	44,425
Equipment	107,195	-	-	107,195
Total capital assets being depreciated	<u>20,413,594</u>	<u>2,502,558</u>	<u>-</u>	<u>22,916,152</u>
Less accumulated depreciation for:				
Buildings and improvements	4,845,626	414,190	-	5,259,816
Landfill cells	10,872,340	598,659	-	11,470,999
Rubbish site	32,282	-	-	32,282
Equipment	107,195	-	-	107,195
Total accumulated depreciation	<u>15,857,443</u>	<u>1,012,849</u>	<u>-</u>	<u>16,870,292</u>
Total capital assets being depreciated, net	<u>4,556,151</u>	<u>1,489,709</u>	<u>-</u>	<u>6,045,860</u>
Total capital assets, net	<u>\$ 7,176,254</u>	<u>\$ 4,488,944</u>	<u>\$ (2,502,558)</u>	<u>\$ 9,162,640</u>

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
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YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 3 - CAPITAL ASSETS (Cont.)

Capital asset activity for the year ended June 30, 2022 was as follows:

	<u>Beginning Balances</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balances</u>
Capital assets not being depreciated:				
Land	\$ 260,441	\$ -	\$ -	\$ 260,441
Construction in progress	1,085,092	1,274,570	-	2,359,662
Total capital assets not being depreciated	<u>1,345,533</u>	<u>1,274,570</u>	<u>-</u>	<u>2,620,103</u>
Capital assets being depreciated:				
Buildings and improvements	8,433,701	-	-	8,433,701
Landfill cells	11,828,273	-	-	11,828,273
Rubbish site	44,425	-	-	44,425
Equipment	107,195	-	-	107,195
Total capital assets being depreciated	<u>20,413,594</u>	<u>-</u>	<u>-</u>	<u>20,413,594</u>
Less accumulated depreciation for:				
Buildings and improvements	4,556,564	289,062	-	4,845,626
Landfill cells	10,334,902	537,438	-	10,872,340
Rubbish site	32,282	-	-	32,282
Equipment	107,195	-	-	107,195
Total accumulated depreciation	<u>15,030,943</u>	<u>826,500</u>	<u>-</u>	<u>15,857,443</u>
Total capital assets being depreciated, net	<u>5,382,651</u>	<u>(826,500)</u>	<u>-</u>	<u>4,556,151</u>
Total capital assets, net	<u>\$ 6,728,184</u>	<u>\$ 448,070</u>	<u>\$ -</u>	<u>\$ 7,176,254</u>

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE NINE
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 3 - CAPITAL ASSETS (Cont.)

The Authority owns a rubbish site which is located at the landfill. During fiscal years 2023 and 2022, 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 2023 and 2022. The net book value of the rubbish site is \$12,143 for both years ended June 30, 2023 and 2022, and is included in capital assets.

NOTE 4 - ACCOUNTS PAYABLE

Accounts payable consisted of the following:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Landfill operator	\$ 907,651	\$ 751,236
Construction contracts	1,313,308	431,046
Other payables	<u>149,181</u>	<u>94,802</u>
Total accounts payable	<u>\$ 2,370,140</u>	<u>\$ 1,277,084</u>

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 2.15% and 2.03% for 2023 and 2022, respectively.

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE TEN
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 5 - LONG-TERM DEBT (Cont.)

Changes in long-term debt for the year ended June 30, 2023 are as follows:

	<u>Balance 6/30/22</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/23</u>	<u>Due Within One Year</u>
Bonds Payable:					
Series 2015 revenue bonds, maturing 2033; variable rate, 2.15% for 2023	\$ 3,110,000	\$ -	\$ 725,000	\$ 2,385,000	\$ 200,000

Changes in long-term debt for the year ended June 30, 2022 are as follows:

	<u>Balance 6/30/21</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance 6/30/22</u>	<u>Due Within One Year</u>
Bonds Payable:					
Series 2015 revenue bonds, maturing 2033; variable rate, 2.03% for 2022	\$ 3,805,002	\$ -	\$ 695,002	\$ 3,110,000	\$ 725,000

Debt service requirements on long-term debt at June 30, 2023 are as follows:

<u>Year of Maturity</u>	<u>Bonds Payable</u>	
	<u>Principal Amount</u>	<u>Interest Amount</u>
2024	\$ 200,000	\$ 80,398
2025	205,000	64,810
2026	215,000	60,151
2027	225,000	55,128
2028	235,000	49,817
2029-2033	1,305,000	161,585
Total	<u>\$ 2,385,000</u>	<u>\$ 471,889</u>

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE ELEVEN
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 5 - LONG-TERM DEBT (Cont.)

Interest expense relating to the promissory notes was \$80,396 and \$94,507 for the years ended June 30, 2023 and 2022, 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 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

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE TWELVE
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Cont.)

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, 2023 and 2022, PERS members were required to contribute 9.00% of their annual covered salary. The employer's rate at June 30, 2023 and 2022, was 17.40% 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, 2023, 2022 and 2021 were \$26,161, \$23,583 and \$22,692, 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, 2023 and 2022, the Authority reported a liability of \$411,673 and \$295,609, respectively, for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of 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, 2023 net pension liability was .002% which was based on a measurement date of June 30, 2022. There was no change from its proportionate share used to calculate the June 30, 2022 net pension liability, which was based on a measurement date of June 30, 2021.

For the years ended June 30, 2023 and 2022, the Authority recognized pension expense of \$46,748 and \$4,509, respectively. The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

(See Table on Next Page)

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
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YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Cont.)

	June 30,			
	2023		2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 4,266	\$ -	\$ 3,435	\$ -
Net difference between projected and actual earnings on pension plan investments	17,298	-	-	71,220
Changes of assumptions	10,421	-	16,532	-
Changes in the proportion and differences between the Authority's contributions and proportionate share of contributions	-	3,126	-	12,787
Authority contributions subsequent to the measurement date	26,161	-	23,583	-
Total	\$ 58,146	\$ 3,126	\$ 43,550	\$ 84,007

\$26,161 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, 2023. Other amounts reported as deferred outflows of resources and deferred inflows related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Deferred Outflows of Resources	Deferred Inflows of Resources
2024	\$ 9,705	\$ 838
2025	9,705	838
2026	8,252	838
2027	4,323	612
Total	\$ 31,985	\$ 3,126

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE FOURTEEN
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Cont.)

Actuarial Assumptions - The total pension liability in the June 30, 2023 and 2022 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	7.55%, net of pension plan investment expense, including inflation

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, 2016 to June 30, 2020. The experience report is dated April 20, 2021.

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, 2023 are summarized in the following table:

(See Table on Next Page)

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
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YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Cont.)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	25.00%	4.60%
International equity	20.00	4.50
Global equity	12.00	4.85
Fixed income	18.00	1.40
Real estate	10.00	3.65
Private equity	10.00	6.00
Private infrastructure	2.00	4.00
Private credit	2.00	4.00
Cash equivalents	1.00	(0.10)
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, 2022 is summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic equity	27.00%	4.60%
International equity	22.00	4.50
Global equity	12.00	4.80
Fixed income	20.00	(0.25)
Real estate	10.00	3.75
Private equity	8.00	6.00
Cash equivalents	1.00	(1.00)
Total	100.00%	

Discount rate - The discount rate used to measure the total pension liability was 7.55%. 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 made at the current employer contribution rate (17.40%). 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.

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE SIXTEEN
YEARS ENDED JUNE 30, 2023 AND 2022**

NOTE 6 - DEFINED BENEFIT PENSION PLAN (Cont.)

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, 2023 and 2022, calculated using the discount rate of 7.55%, 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 (6.55%), or 1-percentage-point higher (8.55%) than the current rate:

	June 30, 2023		
	1.00% Decrease (6.55%)	Discount Rate (7.55%)	1.00% Increase (8.55%)
Authority's proportionate share of the net pension liability	<u>\$ 537,275</u>	<u>\$ 411,673</u>	<u>\$ 308,120</u>
	June 30, 2022		
	1.00% Decrease (6.55%)	Discount Rate (7.55%)	1.00% Increase (8.55%)
Authority's proportionate share of the net pension liability	<u>\$ 418,651</u>	<u>\$ 295,609</u>	<u>\$ 194,212</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.

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.

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
PAGE SEVENTEEN
YEARS ENDED JUNE 30, 2023 AND 2022**

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

As of June 30, 2023 and 2022, the Authority has accrued a liability in the amount of \$4,539,692 and \$4,148,617, 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 2023 and 2022, 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:

	<u>June 30,</u>	
	<u>2023</u>	<u>2022</u>
Actual cash transfers to trust fund	\$ 195,411	\$ 175,427
Adjustment of liability for operating fund	195,664	126,518
Fees	<u>4,266</u>	<u>150</u>
Total expense	<u>\$ 395,341</u>	<u>\$ 302,095</u>

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, 2023 and 2022, amounts of \$4,905,062 and \$4,579,978, 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, 2023 and 2022, for closure costs related to the rubbish site which is included in the trust amounts 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.

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, 2023 and 2022 is estimated to be 16.10 and 17.86 years, respectively, including cells currently under construction. The percentage of constructed landfill capacity used to date is 94.26% and 89.22%, respectively, at June 30, 2023 and 2022.

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**NOTES TO FINANCIAL STATEMENTS
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YEARS ENDED JUNE 30, 2023 AND 2022**

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 \$2,999,235 and \$1,274,570 in construction cost for fiscal years ended June 30, 2023 and 2022, 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, 2023 and 2022, 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

In preparing the financial statements, management has evaluated and disclosed the following subsequent event through November 7, 2023, which is the date the financial statements were available to be issued:

The Authority issued Solid Waste Revenue Bonds Series 2023 in the amount of \$3,500,000 on July 12, 2023 bearing interest of 4.93% with a maturity date of July 1, 2028.

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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, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
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%
Authority's proportionate share of the net pension liability (asset)	\$411,673	\$295,609	\$387,177	\$351,839	\$332,659	\$332,468	\$357,250	\$309,160	\$242,763
Covered payroll	\$150,352	\$135,535	\$130,423	\$125,353	\$119,673	\$115,984	\$116,179	\$132,801	\$111,234
Authority's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	273.81%	218.11%	296.86%	280.68%	277.97%	286.65%	307.50%	232.80%	218.25%
Plan fiduciary net position as a percentage of the total pension liability	59.93%	70.44%	58.97%	61.59%	62.54%	61.49%	57.47%	61.70%	67.21%

* 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. This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year end June 30, 2015, and, until a full 10 year trend is compiled, the Authority has only presented information for the years in which information is available.

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, 2023**

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution	\$ 26,161	\$ 23,583	\$ 22,692	\$ 21,650	\$ 18,849	\$ 18,267	\$ 18,298	\$ 20,916	\$ 17,519
Contributions in relation to the contractually required contribution	<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>	<u>17,519</u>
Contribution deficiency (excess)	<u>\$ -</u>								
Covered payroll	\$150,352	\$135,535	\$130,423	\$125,353	\$119,673	\$115,984	\$116,179	\$132,801	\$111,234
Contributions as a percentage of covered payroll	17.40%	17.40%	17.40%	17.40%	15.75%	15.75%	15.75%	15.75%	15.75%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, GASB Statement No. 68 was implemented for the fiscal year ended June 30, 2015, and, until a full 10 year trend is compiled, the Authority has only presented information for the years in which information is available.

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, 2023**

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%.

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

PAGE TWO

YEAR ENDED JUNE 30, 2023

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, 2023**

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%.

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PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

PAGE FOUR

YEAR ENDED JUNE 30, 2023

NOTE 1 - PENSION SCHEDULES (Cont.)

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, one and two years, respectively, prior to the end of the fiscal year in which contributions are reported (June 30, 2020 and 2019 valuations for the June 30, 2022 and 2021 fiscal year ends, respectively).

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, closed
Remaining amortization period	27.7 years
Asset valuation method	5-year smoothed market
Price inflation	2.75%
Salary increase	3.00% to 18.25%, including inflation
Investment rate of return	7.75%, 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, 2023**

ASSETS	Operating Fund	Waste Tire Fund	Rubbish Fund	Total
CURRENT ASSETS				
Cash and cash equivalents, unrestricted	\$ 8,264,843	\$ 257,350	\$ 90,925	\$ 8,613,118
Accounts receivable	1,218,465	-	-	1,218,465
Grant receivable - waste tire	-	50,001	-	50,001
Prepaid insurance	1,822	-	-	1,822
Total current assets	<u>9,485,130</u>	<u>307,351</u>	<u>90,925</u>	<u>9,883,406</u>
CAPITAL ASSETS				
Capital assets not being depreciated	<u>3,116,780</u>	<u>-</u>	<u>-</u>	<u>3,116,780</u>
Capital assets being depreciated	22,822,388	49,339	44,425	22,916,152
Less: Accumulated depreciation	<u>(16,788,671)</u>	<u>(49,339)</u>	<u>(32,282)</u>	<u>(16,870,292)</u>
Total capital assets being depreciated, net	<u>6,033,717</u>	<u>-</u>	<u>12,143</u>	<u>6,045,860</u>
Total capital assets, net	<u>9,150,497</u>	<u>-</u>	<u>12,143</u>	<u>9,162,640</u>
NON-CURRENT ASSETS				
Cash and cash equivalents, restricted	<u>4,836,176</u>	<u>-</u>	<u>68,886</u>	<u>4,905,062</u>
Total non-current assets	<u>4,836,176</u>	<u>-</u>	<u>68,886</u>	<u>4,905,062</u>
Total assets	<u>23,471,803</u>	<u>307,351</u>	<u>171,954</u>	<u>23,951,108</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>58,146</u>	<u>-</u>	<u>-</u>	<u>58,146</u>
Total deferred outflows of resources	<u>58,146</u>	<u>-</u>	<u>-</u>	<u>58,146</u>

See independent auditors report.

SCHEDULE 3
PAGE TWO

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**COMBINING STATEMENT OF NET POSITION
JUNE 30, 2023**

	<u>Operating Fund</u>	<u>Waste Tire Fund</u>	<u>Rubbish Fund</u>	<u>Total</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 2,363,707	\$ 6,433	\$ -	\$ 2,370,140
Host county fees payable	271,075	-	-	271,075
State disposal fees payable	294,224	-	-	294,224
Bonds payable, due within one year	200,000	-	-	200,000
Total current liabilities	<u>3,129,006</u>	<u>6,433</u>	<u>-</u>	<u>3,135,439</u>
NON-CURRENT LIABILITIES				
Accrued liability - closure/post-closure care	4,470,806	-	68,886	4,539,692
Net pension liability	411,673	-	-	411,673
Bonds payable, due after one year	2,185,000	-	-	2,185,000
Total non-current liabilities	<u>7,067,479</u>	<u>-</u>	<u>68,886</u>	<u>7,136,365</u>
Total liabilities	<u>10,196,485</u>	<u>6,433</u>	<u>68,886</u>	<u>10,271,804</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to pensions	3,126	-	-	3,126
Total deferred inflows of resources	<u>3,126</u>	<u>-</u>	<u>-</u>	<u>3,126</u>
NET POSITION				
Net investment in capital assets	6,765,497	-	12,143	6,777,640
Restricted for:				
Closure/post-closure care	365,370	-	-	365,370
Unrestricted	6,199,471	300,918	90,925	6,591,314
Total net position	<u>\$ 13,330,338</u>	<u>\$ 300,918</u>	<u>\$ 103,068</u>	<u>\$ 13,734,324</u>

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, 2023**

	<u>Operating Fund</u>	<u>Waste Tire Fund</u>	<u>Rubbish Fund</u>	<u>Total</u>
OPERATING REVENUES				
Disposal fees	\$ 8,482,648	\$ -	\$ -	\$ 8,482,648
Waste tire grant	-	24,094	-	24,094
Other income	4,928	-	-	4,928
Total operating revenues	<u>8,487,576</u>	<u>24,094</u>	<u>-</u>	<u>8,511,670</u>
OPERATING EXPENSES				
Closure/post-closure care costs	395,341	-	-	395,341
Depreciation	1,012,849	-	-	1,012,849
Dues and subscriptions	7,045	390	390	7,825
Host county fee	271,075	-	-	271,075
Insurance	45,272	-	-	45,272
Leachate fees	86,620	-	-	86,620
Miscellaneous	4,304	123	125	4,552
Office supplies	4,337	-	-	4,337
Operating fee - landfill	3,017,524	-	-	3,017,524
Other fees	289	-	-	289
Payroll taxes	11,133	-	-	11,133
Pension expense	46,748	-	-	46,748
Postage	1,091	-	-	1,091
Professional fees	106,150	-	-	106,150
Repairs and maintenance	364,016	-	-	364,016
Salaries	150,352	-	-	150,352
State disposal fees	205,696	-	-	205,696
Telephone	1,531	-	-	1,531
Testing costs	62,774	-	-	62,774
Tire disposal	-	5,122	-	5,122
Transfer haul fees	1,772,209	-	-	1,772,209
Travel	7,029	-	-	7,029
Vehicle expense	4,446	-	-	4,446
Total operating expenses	<u>7,577,831</u>	<u>5,635</u>	<u>515</u>	<u>7,583,981</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, 2023**

	<u>Operating Fund</u>	<u>Waste Tire Fund</u>	<u>Rubbish Fund</u>	<u>Total</u>
OPERATING INCOME	<u>\$ 909,745</u>	<u>\$ 18,459</u>	<u>\$ (515)</u>	<u>\$ 927,689</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest earned	337,033	5,122	3,865	346,020
Insurance settlement	31,942	-	-	31,942
Interest expense	<u>(80,396)</u>	<u>-</u>	<u>-</u>	<u>(80,396)</u>
Total non-operating revenues (expenses)	<u>288,579</u>	<u>5,122</u>	<u>3,865</u>	<u>297,566</u>
CHANGES IN NET POSITION	<u>1,198,324</u>	<u>23,581</u>	<u>3,350</u>	<u>1,225,255</u>
NET POSITION, Beginning	<u>12,132,014</u>	<u>277,337</u>	<u>99,718</u>	<u>12,509,069</u>
NET POSITION, Ending	<u>\$ 13,330,338</u>	<u>\$ 300,918</u>	<u>\$ 103,068</u>	<u>\$ 13,734,324</u>

See independent auditors report.

SCHEDULE 5

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022**

ASSETS	Operating Fund	Waste Tire Fund	Rubbish Fund	Total
CURRENT ASSETS				
Cash and cash equivalents, unrestricted	\$ 10,794,589	\$ 148,327	\$ 87,575	\$ 11,030,491
Accounts receivable	787,432	-	-	787,432
Grant receivable - waste tire	-	135,466	-	135,466
Prepaid insurance	26,244	-	-	26,244
Total current assets	<u>11,608,265</u>	<u>283,793</u>	<u>87,575</u>	<u>11,979,633</u>
CAPITAL ASSETS				
Capital assets not being depreciated	<u>2,620,103</u>	<u>-</u>	<u>-</u>	<u>2,620,103</u>
Capital assets being depreciated	20,319,830	49,339	44,425	20,413,594
Less: Accumulated depreciation	<u>(15,775,822)</u>	<u>(49,339)</u>	<u>(32,282)</u>	<u>(15,857,443)</u>
Total capital assets being depreciated, net	<u>4,544,008</u>	<u>-</u>	<u>12,143</u>	<u>4,556,151</u>
Total capital assets, net	<u>7,164,111</u>	<u>-</u>	<u>12,143</u>	<u>7,176,254</u>
NON-CURRENT ASSETS				
Cash and cash equivalents, restricted	4,511,092	-	68,886	4,579,978
Other deposits	65	-	-	65
Total non-current assets	<u>4,511,157</u>	<u>-</u>	<u>68,886</u>	<u>4,580,043</u>
Total assets	<u>23,283,533</u>	<u>283,793</u>	<u>168,604</u>	<u>23,735,930</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred outflows related to pensions	<u>43,550</u>	<u>-</u>	<u>-</u>	<u>43,550</u>
Total deferred outflows of resources	<u>43,550</u>	<u>-</u>	<u>-</u>	<u>43,550</u>

See independent auditors report.

SCHEDULE 5
PAGE TWO

PINE BELT REGIONAL SOLID WASTE MANAGEMENT AUTHORITY

**COMBINING STATEMENT OF NET POSITION
JUNE 30, 2022**

	<u>Operating Fund</u>	<u>Waste Tire Fund</u>	<u>Rubbish Fund</u>	<u>Total</u>
LIABILITIES				
CURRENT LIABILITIES				
Accounts payable	\$ 1,270,628	\$ 6,456	\$ -	\$ 1,277,084
Host county fees payable	256,690	-	-	256,690
State disposal fees payable	273,404	-	-	273,404
Bonds payable, due within one year	725,000	-	-	725,000
Total current liabilities	<u>2,525,722</u>	<u>6,456</u>	<u>-</u>	<u>2,532,178</u>
NON-CURRENT LIABILITIES				
Accrued liability - closure/post-closure care	4,079,731	-	68,886	4,148,617
Net pension liability	295,609	-	-	295,609
Bonds payable, due after one year	2,385,000	-	-	2,385,000
Total non-current liabilities	<u>6,760,340</u>	<u>-</u>	<u>68,886</u>	<u>6,829,226</u>
Total liabilities	<u>9,286,062</u>	<u>6,456</u>	<u>68,886</u>	<u>9,361,404</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflows related to contracts	1,825,000	-	-	1,825,000
Deferred inflows related to pensions	84,007	-	-	84,007
Total deferred inflows of resources	<u>1,909,007</u>	<u>-</u>	<u>-</u>	<u>1,909,007</u>
NET POSITION				
Net investment in capital assets	4,054,111	-	12,143	4,066,254
Restricted for:				
Closure/post-closure care	431,361	-	-	431,361
Unrestricted	7,646,542	277,337	87,575	8,011,454
Total net position	<u>\$ 12,132,014</u>	<u>\$ 277,337</u>	<u>\$ 99,718</u>	<u>\$ 12,509,069</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, 2022**

	<u>Operating Fund</u>	<u>Waste Tire Fund</u>	<u>Rubbish Fund</u>	<u>Total</u>
OPERATING REVENUES				
Disposal fees	\$ 7,365,238	\$ -	\$ -	\$ 7,365,238
Waste tire grant	-	22,861	-	22,861
Other income	2,936	-	-	2,936
Total operating revenues	<u>7,368,174</u>	<u>22,861</u>	<u>-</u>	<u>7,391,035</u>
OPERATING EXPENSES				
Closure/post-closure care costs	302,095	-	-	302,095
Depreciation	826,500	-	-	826,500
Dues and subscriptions	2,060	50	50	2,160
Employee training	919	-	-	919
Host county fee	256,690	-	-	256,690
Insurance	43,747	-	-	43,747
Leachate fees	49,936	-	-	49,936
Miscellaneous	1,339	-	-	1,339
Office supplies	3,813	-	-	3,813
Operating fee - landfill	2,543,917	-	-	2,543,917
Other fees	988	-	-	988
Payroll taxes	10,027	-	-	10,027
Pension expense	4,509	-	-	4,509
Postage	948	-	-	948
Professional fees	130,501	-	-	130,501
Repairs and maintenance	59,645	-	-	59,645
Salaries	135,535	-	-	135,535
State disposal fees	184,660	-	-	184,660
Telephone	2,410	-	-	2,410
Testing costs	27,902	-	-	27,902
Transfer haul fees	1,643,887	-	-	1,643,887
Travel	8,981	-	-	8,981
Vehicle expense	4,235	-	-	4,235
Total operating expenses	<u>6,245,244</u>	<u>50</u>	<u>50</u>	<u>6,245,344</u>

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, 2022**

	<u>Operating Fund</u>	<u>Waste Tire Fund</u>	<u>Rubbish Fund</u>	<u>Total</u>
OPERATING INCOME	<u>\$ 1,122,930</u>	<u>\$ 22,811</u>	<u>\$ (50)</u>	<u>\$ 1,145,691</u>
NON-OPERATING REVENUES (EXPENSES)				
Interest earned	30,411	478	354	31,243
Interest expense	(94,507)	-	-	(94,507)
Investment trustee fees	(1,500)	-	-	(1,500)
Total non-operating revenues (expenses)	<u>(65,596)</u>	<u>478</u>	<u>354</u>	<u>(64,764)</u>
CHANGES IN NET POSITION	1,057,334	23,289	304	1,080,927
NET POSITION, Beginning	<u>11,074,680</u>	<u>254,048</u>	<u>99,414</u>	<u>11,428,142</u>
NET POSITION, Ending	<u>\$ 12,132,014</u>	<u>\$ 277,337</u>	<u>\$ 99,718</u>	<u>\$ 12,509,069</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**

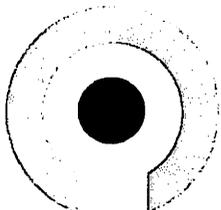
To the Board of Commissioners
Pine Belt Regional Solid Waste Management Authority
Petal, Mississippi

We have audited, in accordance with 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 Pine Belt Regional Solid Waste Management Authority (the Authority) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated November 7, 2023.

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 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 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.



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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
November 7, 2023