Hillsborough County Florida

Solid Waste Management

# Annual Financial Report

## Solid Waste Enterprise Fund

For Fiscal Year
September 30, 2023

Hillsborough County Florida
Solid Waste Management

Brandon Support Operations Complex
332 N. Falkenburg Road
Tampa, Florida 33619
(813) 272-5680
HCFLGov.net/SolidWaste

# Hillsborough County, Florida

# Solid Waste Enterprise Fund
# Public Utilities Department
# Annual Financial Report

## Fiscal Year Ended September 30, 2023

Prepared by: County Finance Department
Cindy Stuart, Clerk of Court and Comptroller

**SOLID WASTE ENTERPRISE FUND**
**PUBLIC UTILITIES DEPARTMENT**
**PRINCIPAL OFFICIALS**
**September 30, 2023**

## Board of County Commissioners

Ken Hagan, *Chair*
Gwendolyn "Gwen" Myers, *Vice-Chair*
Donna Cameron Cepeda, *Chaplain*
Harry Cohen
Pat Kemp
Michael Owen
Joshua Wostal

## Constitutional Officers

Chad Chronister, *Sheriff*
Bob Henriquez, *Property Appraiser*
Craig Latimer, *Supervisor of Elections*
Nancy C. Millan, *Tax Collector*
Cindy Stuart, *Clerk of Circuit Court*

## Appointed Officials

Bonnie Wise, *County Administrator*
Christine Beck, *County Attorney*
George Cassady, *Assistant County Administrator – Public Utilities*
Damien Tramel, *Director, Solid Waste Department*

**HILLSBOROUGH COUNTY, FLORIDA**
**Solid Waste Enterprise Fund**
**Public Utilities Department**
**For the Year Ended September 30, 2023**

## TABLE OF CONTENTS

EST. 1834

SM

Hillsborough County Florida

**Independent Auditor's Report**

Board of County Commissioners
Hillsborough County, Florida

**Report on the Audit of the Financial Statements**

***Opinion***
We have audited the financial statements of the Solid Waste Fund (the Fund), an enterprise fund of Hillsborough County, Florida, (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Fund, an enterprise fund of the County, as of September 30, 2023, and the changes in financial position and its cash flows for the year 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*, issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 County, 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.

***Emphasis of Matter***
As discussed in Note 1, the financial statements present only the Fund and do not purport to, and do not, present fairly the financial position of the County, as of September 30, 2023, the changes in its financial position or its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

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

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the County'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.

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

***Required Supplementary Information***
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the pension and other post-employment benefit plan schedules, as listed in the table of contents, be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***
Management is responsible for the other information included in the annual report. The other information comprises the statistical section, the Comparison of Actual Revenues and Expenses to Budget and the Debt Service Schedules but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated May 8, 2024, on our consideration of the Fund's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Fund's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Fund's internal control over financial reporting and compliance.

RSM US LLP

Tampa, Florida
May 8, 2024

**Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Governmental Auditing Standards***

**Independent Auditor's Report**

Board of County Commissioners
Hillsborough County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the Solid Waste Fund (the Fund), an enterprise fund of Hillsborough County, Florida (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Fund's financial statements, and have issued our report thereon dated May 8, 2024. Our report included an emphasis of a matter paragraph to reflect that that these financial statements are intended to present the financial position, the changes in financial position, and the cash flows of the Fund and do not represent a complete presentation of the financial statements of Hillsborough County, Florida.

**Report on Internal Control Over Financial Reporting**
In planning and performing our audit of the financial statements, we considered the Fund'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 opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. Accordingly, we do not express an opinion on the effectiveness of the Fund's internal control.

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

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

**Report on Compliance and Other Matters**
As part of obtaining reasonable assurance about whether the Fund'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 Fund's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Tampa, Florida
May 8, 2024

**Report of Independent Auditor on Bond Compliance**

Board of County Commissioners
Hillsborough County, Florida

We have audited, in accordance with auditing standards generally accepted in the United States of America, the financial statements of the Solid Waste Fund (the Fund), an enterprise fund of Hillsborough County, Florida, (the County), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the Fund's financial statements and have issued our report thereon dated May 8, 2024.

In connection with our audit, nothing came to our attention that caused us to believe the Fund failed to comply with the terms, covenants, provisions or conditions of Article XI of Hillsborough County Resolution No. R03-112, dated June 4, 2003, governing the Utility Revenue Bonds, Series 2016, 2019 and 2021, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of any such noncompliance. Accordingly, had we performed additional procedures, other matters might have come to our attention regarding the Fund's noncompliance with the above-referenced terms, covenants, provisions or conditions of Article XI of Resolution RO3-112, of the bond resolution, insofar as they relate to accounting matters.

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

RSM US LLP

Tampa, Florida
May 8, 2024

Hillsborough County Florida

**HILLSBOROUGH COUNTY, FLORIDA**
**Solid Waste Enterprise Fund**
**Public Utilities Department**
**Management's Discussion and Analysis**
**For the Year Ended September 30, 2023**

## Management's Discussion and Analysis

The Hillsborough County Solid Waste Enterprise Fund (Fund) presents the following review of its financial activities for the fiscal year ended September 30, 2023, with respective financial comparisons to the prior fiscal year. Financial statement readers are encouraged to consider information presented here, together with the accompanying financial statement notes, to obtain a complete overview of the Fund's financial condition and operating results for the fiscal year ended September 30, 2023.

## Fiscal Year 2023 Financial Highlights

- Fiscal year 2023 operating revenues were $205,349,000. This represented a $44,714,000 or a 28% revenue increase from fiscal year 2022 revenues of $160,635,000.
- For fiscal year 2023, the Fund had a $33,058,000 positive change in net position. This represented a comparative $16,230,000 increase from last year's $16,828,000 change in net position. The comparative change was mainly due to an increase in customer service revenues of $44,714,000 and an increase in nonoperating revenues of $10,024,000. This was offset by an increase in operating expenses before depreciation of $43,663,000 which was driven by a $24,396,000 increase in contractual services. Nonoperating expenses also decreased by approximately $5,437,000. The total net position on September 30, 2023 was $237,789,000.

Management believes the Fund was compliant with all bond covenant requirements for the fiscal year ended September 30, 2023.

## Overview of the Financial Statements

This analysis is intended to serve as an introduction to the Fund's financial statements. These statements consist of two parts: the financial statements and the accompanying financial statement notes. Also, the accompanying report contains unaudited supplementary and unaudited statistical information, which may provide additional insight to financial statement readers.

## Required Financial Statements

The Fund reports its financial activities by using accounting methods similar to those in the private business sector. The financial statements offer both current and other data about its financial activities. The Statement of Net Position includes assets, deferred outflows of resources, liabilities, and deferred inflows of resources and provides summary information for amounts invested in capital assets and for amounts owed to creditors. The assets and liabilities are presented in a classified format, which lists current and other amounts separately. The Fund's operating results are recorded on the Statement of Revenues, Expenses, and changes in Net Position. This statement displays operating activities over the past year, and indicates whether the Fund recovered all its costs through user fees and other revenues. The last required statement is the Statement of Cash Flows. The purpose of this statement is to summarize the Fund's cash activities, such as receipts, payments, and other changes in cash balances resulting from operating, capital expansion, borrowing, and investing transactions during the year.

## Financial Analysis: Condensed Statement of Net Position for 2023 Compared to 2022:

A key measure of financial condition is net position. An analysis of 2023 net position compared to 2022 is as follows:

| *(Amounts in thousands)* | 2023 | 2022 | Change | Percent Change |
|---|---|---|---|---|
| **Assets** | | | | |
| Current, restricted and other assets | $ 255,451 | 243,871 | 11,580 | 4.7 % |
| Noncurrent assets | 158,563 | 162,529 | (3,965) | (2.4)% |
| Total assets | 414,014 | 406,400 | 7,615 | 1.9 % |
| Deferred outflows of resources | 3,155 | 2,989 | 166 | 5.6 % |
| **Liabilities** | | | | |
| Current liabilities | 30,594 | 51,083 | (20,455) | (40.0)% |
| Other liabilities | 147,128 | 151,774 | (4,646) | (3.1)% |
| Total liabilities | 177,722 | 202,857 | (25,101) | (12.4)% |
| Deferred inflows of resources | 1,625 | 1,768 | (143) | (8.1)% |
| **Net position** | | | | |
| Net investment in capital assets | 62,378 | 58,993 | 3,385 | 5.7 % |
| Restricted | 5,081 | 5,081 | - | -- % |
| Unrestricted | 170,363 | 140,690 | 29,673 | 21.1 % |
| Total net position | $ 237,822 | 204,764 | 33,058 | 16.1 % |

**Total net position -** Fiscal year 2023 total net position increased $33,058,000 or 16.1% from fiscal year 2022. The comparative change was mainly due to County Ordinance 22-18, which changed the Solid Waste Department collection and disposal assessment period from a calendar year to a fiscal year. This change eliminated the 25% deferred revenue requirement for the assessments applied to the October to December period and reduced current liabilities by approximately $28,000,000 from fiscal year 2022 to fiscal year 2023. The total net position on September 30, 2023 was $237,822,000.

## Condensed Statement of Revenues, Expenses, and Changes in Net Position

Comparative revenues, expenses, and change in net position for the fiscal years ended September 30, 2023 and 2022 were as follows:

| *(Amounts in thousands)* | 2023 | 2022 | Change | Percent Change |
|---|---|---|---|---|
| **Revenues** | | | | |
| Operating revenues | $ 205,349 | 160,635 | 44,714 | 27.8 % |
| Nonoperating revenues | 11,797 | 1,773 | 10,024 | 565.4 % |
| Total revenues | 217,146 | 162,408 | 54,738 | 33.7 % |
| **Expenses** | | | | |
| Operating expenses before depreciation | 168,203 | 124,573 | 43,663 | 35.1 % |
| Depreciation and amortization | 12,064 | 11,749 | 315 | 2.7 % |
| Nonoperating expenses | 3,821 | 9,258 | (5,437) | (58.7)% |
| Total expenses | 184,088 | 145,580 | 38,508 | 26.5 % |
| Change in net position | 33,058 | 16,827 | 16,231 | 96.5 % |
| Net position, beginning of year | 204,764 | 187,936 | 16,828 | 9.0 % |
| Net position, end of year | $ 237,822 | 204,764 | 33,058 | 16.1 % |

**Operating revenues -** Fiscal year 2023 operating revenues of $205,349,000 increased $44,714,000 or 28% from last year. Residential disposal and collection assessments, municipal disposal fee revenues, electricity generation revenues and franchise hauling revenues increased by $47,595,000 or 31.4% while commercial disposal fees, recycling, and other general operating revenues decreased by $2,874,000 or 31%.

**Nonoperating revenues -** Fiscal year 2023 nonoperating revenues of $11,797,000 increased $10,024,000 or 565.4% from last year, primarily due to an increase in investment fair value of $3,349,000, an increase in interest revenues of $6,604,000 and an increase in other revenues of $177,000.

**Total expenses -** Fiscal year 2023 total expenses of $184,088,000 increased by $38,508,000 or 26.5% from last year. The change was primarily related to the following factors:

- **Operating expenses before depreciation -** Personnel services increased by $1,180,000 or 8.9% due to additional positions being filled to address the increase landfill activities. Contractual services increased by $24,396,000 or 20.8% primarily related to the increase in contracted hauler costs of approximately $27,000,000. Repairs and maintenance decreased by $358,000 or 39.4%. Landfill closure and post closure care increased by $14,301,000 or 111% due to a change in estimate, fleet costs increased by $834,000 or 38.7% and utility costs increased by $1,355,000 or 99%, pension expense increased by $1,771,000 or 1,737%, and OPEB expenses increased by $54,000 or 180.6%.
- **Depreciation and amortization expense -** There was a $315,000 or 2.7% increase in depreciation and amortization costs due to an increase in depreciable equipment compared to 2022.
- **Nonoperating expenses** - Interest expense increased by $492,000 or 14.8% primarily due to increased interest costs associated with the additional draws on the Bank of America line of credit taken in 2022.

## Capital Assets and Debt Administration

**Capital assets -** On September 30, 2023, capital assets, net of accumulated depreciation, were $157,602,000 compared to $161,423,000 last year, for a net decrease of $3,821,000 or 2.4%. See Note 4, *Capital Assets*, for further information.

**Debt administration -** On September 30, 2023, outstanding bonds payable were $86,909,000 compared to $94,285,000 for September 30, 2022. The fiscal year decrease of $7,376,000 or 7.8% was due to a principal payment of $6,000,000 in outstanding Series 2016 bonds and $1,376,000 in amortization of bond issue premiums.

## Economic Factors

The special assessment residential customer base is expected to remain stable with a modest amount of growth forecasted for fiscal year 2022 and beyond. Rates will remain constant with fiscal year 2023, and the modest adjustments are planned for future years to keep the Fund current with contracted increases in operating costs.

## Requests for Information

The purpose of this analysis as well as the financial statements, financial statement notes, and supplemental financial information, is to provide a general overview of the financial position and operating results for the fiscal years ended September 30, 2023. Additional information concerning the Fund’s operations and the services provided to Hillsborough County residents may be obtained from:

Hillsborough County Utilities Department
Attention: Director
PO Box 1110
Tampa, Florida 33601-1110

Hillsborough County Florida

EST. 1834

# HILLSBOROUGH COUNTY, FLORIDA
## Solid Waste Enterprise Fund
## Public Utilities Department
### Statement of Net Position
### September 30, 2023
*(Amounts in thousands)*

| | September 30, 2023 |
|---|---|
| **ASSETS** | |
| Unrestricted current assets: | |
| Cash and cash equivalents | $ 55,638 |
| Investments | 169,790 |
| Accounts receivable, net | 5,449 |
| Lease receivable, current portion | 144 |
| Interest receivable | 1,169 |
| Lease interest receivable | 33 |
| Delinquent ad valorem taxes receivable | 30 |
| Due from other governments | 2,353 |
| Prepaid items | 30 |
| Total unrestricted current assets | 234,636 |
| Restricted current assets: | |
| Investments | 20,661 |
| Interest receivable | 154 |
| Total restricted current assets | 20,815 |
| Total current assets | 255,451 |
| Noncurrent assets: | |
| Lease receivable | 961 |
| Non-depreciable assets: | |
| Land | 13,775 |
| Construction in progress | 8,808 |
| Total non-depreciable assets | 22,583 |
| Depreciable assets, net of accumulated depreciation: | |
| Buildings | 26,429 |
| Improvements other than buildings | 101,049 |
| Equipment | 7,541 |
| Total depreciable assets, net of accumulated depreciation | 135,019 |
| Total noncurrent assets | 158,563 |
| Total assets | 414,014 |
| **DEFERRED OUTFLOWS OF RESOURCES** | |
| Pensions | 2,105 |
| Deferred change on refunding | 520 |
| OPEB | 530 |
| Total deferred outflows of resources | $ 3,155 |

The accompanying notes are an integral part of these financial statements.

# HILLSBOROUGH COUNTY, FLORIDA
## Solid Waste Enterprise Fund
## Public Utilities Department
### Statement of Net Position
### September 30, 2023
*(Amounts in thousands)*

| | September 30, 2023 |
|---|---|
| **LIABILITIES** | |
| Unrestricted current liabilities: | |
| Accounts and contracts payable | $ 17,854 |
| Accrued liabilities | 271 |
| Due to other governments | 109 |
| Unearned revenue | 1,505 |
| Compensated absences, current | 743 |
| Other long-term liabilities, current | 393 |
| Total unrestricted current liabilities | 20,875 |
| Restricted current liabilities: | |
| Accounts and contracts payable | 1,530 |
| Accrued interest payable | 415 |
| Deposits held | 624 |
| Notes payable - current portion | 850 |
| Bonds payable, current portion | 6,300 |
| Total restricted current liabilities | 9,719 |
| Total current liabilities | 30,594 |
| Noncurrent liabilities: | |
| Compensated absences payable | 403 |
| Total OPEB liability | 706 |
| General liabilities, net of current maturities | 33,467 |
| Notes payable, net of current maturities | 21,150 |
| Bonds payable, net of current maturities | 80,609 |
| Net pension liability | 10,793 |
| Total noncurrent liabilities | 147,128 |
| Total liabilities | 177,722 |
| **DEFERRED INFLOWS OF RESOURCES** | |
| Pension | 271 |
| OPEB | 249 |
| Leases | 1,105 |
| Total deferred inflows of resources | 1,625 |
| **NET POSITION** | |
| Net investment in capital assets | 62,378 |
| Restricted for debt service | 5,081 |
| Unrestricted | 170,363 |
| Total net position | $ 237,822 |

The accompanying notes are an integral part of these financial statements.

# HILLSBOROUGH COUNTY, FLORIDA
## Solid Waste Enterprise Fund
## Public Utilities Department
## Statement of Revenues, Expenses, and Changes in Net Position
## For the Fiscal Year Ended September 30, 2023
*(Amounts in thousands)*

| | Fiscal Year Ended September 30, 2023 |
|---|---|
| Operating revenues: | |
| Charges for services | $ 205,349 |
| Total operating revenues | 205,349 |
| Operating expenses: | |
| Personnel services | 14,413 |
| Contractual services | 141,543 |
| Fleet services | 2,987 |
| Repairs and maintenance | 1,266 |
| Utilities | 2,719 |
| Supplies | 53 |
| Landfill closure and post closure care | 1,488 |
| Depreciation and amortization | 12,064 |
| Other operating expenses | 1,837 |
| Pension expense (benefit) | 1,873 |
| OPEB expense (benefit) | 24 |
| Total operating expenses | 180,267 |
| Operating income | 25,082 |
| Nonoperating revenues (expenses): | |
| Interest expense | (3,821) |
| Interest revenue | 7,936 |
| Fair value change | 3,349 |
| Gain on disposal of capital assets | 41 |
| Other revenues | 471 |
| Total net nonoperating revenues (expenses) | 7,976 |
| Change in net position | 33,058 |
| Net position, beginning of year | 204,764 |
| Net position, end of year | $ 237,822 |

The accompanying notes are an integral part of these financial statements.

## HILLSBOROUGH COUNTY, FLORIDA
### Solid Waste Enterprise Fund
### Public Utilities Department
### Statement of Cash Flows
### For the fiscal year ended September 30, 2023
*(Amounts in thousands)*

| | |
|---|---|
| **Cash flows provided by operating activities:** | |
| Receipts from customers | $ 177,641 |
| Payments to employees | (14,115) |
| Cash paid to suppliers | (142,916) |
| Cash from other sources | 471 |
| Net cash provided by operating activities | 21,081 |
| **Cash flows used for capital and related financing activities:** | |
| Acquisition/construction of capital assets | (9,769) |
| Principal paid on capital debt | (6,000) |
| Interest paid on capital debt | (5,093) |
| Proceeds from sale of assets | 41 |
| Net cash used for capital and related financing activities | (20,821) |
| **Cash flows from investing activities:** | |
| Interest and dividends received | 6,982 |
| Proceeds from sales and maturities of investments | 166,523 |
| Purchase of investment securities | (169,911) |
| Net cash provided by investing activities | 3,594 |
| Net change in cash and cash equivalents | 3,854 |
| Cash and cash equivalents, beginning of year | 51,784 |
| Cash and cash equivalents, end of year | 55,638 |
| Cash and cash equivalent components: | |
| Current assets | 55,638 |

The accompanying notes are an integral part of these financial statements.

## HILLSBOROUGH COUNTY, FLORIDA
**Solid Waste Enterprise Fund**
**Public Utilities Department**
**Statement of Cash Flows**
**For the fiscal year ended September 30, 2023**
*(Amounts in thousands)*

| | | |
|---|---|---|
| **Reconciliation of operating income to net cash provided by operating activities:** | | |
| Operating income | $ | 25,082 |
| Adjustments to reconcile operating income to net cash provided by operating activities: | | |
| Depreciation and amortization expense | | 12,064 |
| Other revenues | | 472 |
| Changes in assets, liabilities, deferred outflows and deferred inflows: | | |
| (Increase) decrease accounts receivable | | (493) |
| (Increase) decrease in prepaids | | 631 |
| (Increase) decreases in due from other governments | | (204) |
| (Increase) decrease in deferred outflows | | (254) |
| Increase (decrease) in accounts and contracts payable | | 6,915 |
| Increase (decrease) in accrued and other liabilities | | 1,404 |
| Increase (decrease) in deposits | | 56 |
| Increase (decrease) in unearned revenues | | (27,067) |
| Increase (decrease) in pension liability | | 1,932 |
| Increase (decrease) in compensated absences payable | | 439 |
| Increase (decrease) in total OPEB liability | | 179 |
| Increase (decrease) in due to other governments | | (73) |
| Increase (decrease) in deferred inflows | | (2) |
| Total adjustments | | (4,001) |
| Net cash provided by operating activities | $ | 21,081 |
| **Noncash investing, capital, and financing activities:** | | |
| Change in fair market value | $ | 3,349 |
| Amortization of bond premiums/discounts | | 1,376 |
| Amortization of deferred refunding loss | | (87) |
| Acquisition/construction of capital assets included in accounts and contracts payable | | 1,526 |

The accompanying notes are an integral part of these financial statements.

## Note 1 Summary of Significant Accounting Policies

The following is a summary of the significant accounting policies applied in the preparation of the accompanying Solid Waste Enterprise Fund (Fund) financial statements.

### A. Reporting Entity

The Fund is an enterprise fund of the Hillsborough County, Florida, Board of County Commissioners (BOCC). The Fund's financial statements are included in the Hillsborough County, Florida, Annual Comprehensive Financial Report. The financial statements referred to above present only the Fund and do not purport to, and do not, present the financial position of Hillsborough County, Florida, as of September 30, 2023, and the changes in its financial position, or where applicable, its cash flows for the year ended in conformity with accounting principles generally accepted in the United States of America.

### B. Presentation Basis

The accompanying financial statements were prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

Governmental accounting requires reporting business activities similar to those found in the private business sector in an enterprise fund. An enterprise fund is used to account for an operation that is financed primarily through user charges, or where the governing body has decided that the determination of net income and capital maintenance is appropriate.

### C. Accounting Basis

The accrual basis of accounting was used to report the Fund's operations. Under this accounting basis, revenues are recognized in the period earned and expenses are recognized in the period liabilities are incurred, regardless of the timing of cash flows.The financial statements distinguish operating revenues and operating expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection to the Fund's principal ongoing operations. The Fund's principal operating revenues are charges to customers for solid waste disposal fees. Billings are generally based on a fixed fee each month. Operating expenses of the Fund include employee wages and benefits, purchases of services, supplies and materials and other expenses related to operating the Fund and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

### D. Cash, Cash Equivalents and Investments

Cash consists of checking and savings accounts, collectively designated as cash deposits. Cash deposits are carried at cost. For purposes of financial statement presentation, cash equivalents are highly liquid investments with maturities of three months or less from date of purchase.

Cash is deposited in qualified public depositories. Deposits are fully insured by the Federal Deposit Insurance Corporation and/or secured by the multiple financial institution collateral pool established under Chapter 280, Florida Statutes. In accordance with these statutes, qualified public depositories must pledge eligible collateral in varying percentages. Any losses to public depositors are covered by applicable deposit insurance, by the sale of pledged securities, and by assessments against other qualified public depositories, if necessary.

County Ordinance 08-6 and Section 218.415, Florida Statutes, authorize investments in United States Government obligations or its agencies and certain other investments. Investments are stated at fair value, or at amortized cost, which approximates fair value. The Fund follows GASB Statement No. 72, *Fair Value Measurement and Application* as well as GASB Statement No. 79, *Certain Investment Pools and Pool Participants*. See Note 2, *Deposits and Investments*, for more information.

### E. Accounts Receivable

Accounts receivable represents solid waste disposal fees charged to franchise haulers, delinquent residential special assessment fees, and other charges for services billed but not collected. The September 30, 2023 accounts receivable balance of $5,449,000 was net of an allowance for doubtful accounts of $28,000.

### F. Prepaids

The cost of prepaid items in the Fund are recorded as an expense at the time individual prepaid items are consumed (consumption method).

### G. Leases

Lessor:

The Fund is a lessor for a noncancellable lease of 899 acres of real property to be used for mixed agricultural use to include cattle grazing. The lease has termination options that the lessee may unilaterally exercise by giving an appropriate period of notice to the Fund.

For long-term leases, the Fund recognizes a lease receivable and a deferred inflow of resources in the Statement of Net Position. At the commencement of a lease, the Fund initially measures the lease receivable at the present value of payments expected to be received during the lease term, reduced by any provision for uncollectible amounts, if applicable. Any initial direct costs required to be paid by the Fund are expensed in the period incurred. Subsequently, payments received are allocated first to any accrued interest receivable and then to the lease receivable.

The deferred inflow of lease revenue is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date that relate to future periods, less any lease incentives paid to, or on behalf of, the lessee at or before the commencement of the lease term, if applicable. Subsequently, the deferred inflow of resources is recognized on a straight-line basis as revenue over the life of the lease term.

Key estimates and judgments shown below are used by the Fund to determine the following:

- Discount rate: The Fund uses either the explicit rate stated in the lease agreement or its incremental borrowing rate to discount the expected lease receipts to present value.

- Lease term: The lease term includes the noncancellable lease period of the lease, plus 1) periods of which the Fund has a unilateral option to extend and is reasonably certain to exercise such option, or 2) periods after an optional termination date if the Fund is reasonably certain not to exercise the termination option.

- Lease receipts: Measurement of the lease receivable includes fixed payments, and as applicable, variable payments that depend on an index or rate, variable fixed in substance payments, residual value guarantee payments that are fixed in substance, and any lease incentive payments to the lessee.

The Fund monitors changes in circumstances that may require a remeasurement of a lease arrangement. When certain changes occur that are expected to significantly affect the amount of the lease receivable, the receivable is remeasured, and a corresponding adjustment is made to the deferred inflows of resources for leasing transactions.

### H. Capital Assets

The Fund records capital asset additions, other than intangibles, with an original cost of at least one thousand dollars and an estimated useful life in excess of one year. Donated capital assets are valued at their acquisition value on the date received and are recorded as capital contributions on the Statement of Revenues, Expenses, and Changes in Net Position. Maintenance and repair costs are expensed as incurred, while renewal and betterment disbursements are capitalized and depreciated over their estimated useful lives. Depreciation is provided in amounts sufficient to allocate depreciable asset costs to operations over their estimated service lives using the straight-line method. Additionally, intangible capital assets, such as software, are capitalized if they have an original cost of at least five thousand dollars and a useful life of in excess of one year.

Fund capital assets have estimated useful lives as follows:

| Capital Asset Categories | Estimated Useful Life (in years) |
|---|---|
| Buildings and utility plant | 5-50 |
| Improvements other than buildings | 10-35 |
| Equipment | 1-10 |
| Intangibles | 1-30 |

### I. Restricted Assets

Restricted assets represent amounts set aside for debt service, construction, operating and maintenance, and renewal, replacement and improvements under the terms of outstanding bond agreements and regulatory requirements. Bond construction accounts include bond proceeds available for design and construction of capital projects. The debt service accounts contain principal and interest amounts required for payments due within one year. The bond reserve accounts contain the maximum amount of principal and interest requirements pursuant to bond resolutions. The operating and maintenance accounts, renewal, replacement and improvement accounts also contain amounts required by bond resolutions to be set aside.

### J. Bond Issue Premiums

Unamortized bond issue premiums are recorded as an increase in bonds payable on the Statement of Net Position. These amounts are amortized using the effective interest method over the bond issue's life. For fiscal year 2023 bond issuance premiums amortized to and decreased interest expense by $1,376,000.

### K. Compensated Absences

In accordance with GASB Statement No. 16, *Accounting for Compensated Absences*, the Fund accrues a liability for compensated absences, as well as certain other salary-related costs associated with the payment of compensated absences. The Fund's compensated absences liability at September 30, 2023 consisted of accruals for vacation, sick leave and paid time off (PTO). Vacation leave is accrued as a liability as the benefits are earned by employees. Sick leave is also accrued as a liability as the benefits are earned by employees, but only to the extent that it is probable that the Fund will compensate employees for the benefits through cash payments at termination, such as retirement. Vacation, sick leave, and PTO apply to all employees at the Fund other than a relatively small percentage of employees who elected to remain in Sick Plan A when the Fund established PTO during fiscal year 2023. PTO is a combined leave benefit that employees can use for either sick and/or vacation time. PTO is accrued as a liability as benefits are earned, similar to vacation time.

Human Resources Policies and Procedures state that sick leave termination payments are to be made under two conditions. Compensation for employees in "Plan A" includes a sick leave payment at termination for all hours of sick time accrued up to 480 hours and half of the sick time accrued over 960 hours. Compensation for employees in "Plan B" includes a sick leave payment at termination if any of the employee's sick leave hours accrued at February 2, 1997 remain unused, with payment only for sick time hours accrued up to 480 hours and half of the sick time hours accrued over 960 hours. Employees in Plan B hired after February 2, 1997, will not receive a sick leave payment at termination, so no liability is recorded for these employees. BOCC employees in Sick Plan B were all moved to PTO during fiscal year 2023, so there was no Fund liability for Sick Plan B at September 30, 2023. However, a liability is recorded for each employee who has a termination payment under Plan A.

The compensated absences liability also includes other salary-related costs incrementally associated with the payment of compensated absences such as the Fund's share of Social Security and Medicare taxes.

### L. Landfill Closure and Postclosure Care Costs

GAAP requires the Fund, as a municipal solid waste landfill owner and operator, to record a current operating expense and a related other liability for future landfill closure and postclosure care costs. A portion of these future costs is recognized each year based on the cumulative landfill capacity consumed as of each Statement of Net Position date. Also, the Fund records an estimated liability for remediation and monitoring costs for those landfills that closed prior to October 9, 1991. More information on these expenses and the related other liabilities is disclosed in Note 11, *Accounting for Municipal Solid Waste Landfill Costs*.

### M. Operating and Nonoperating Revenues and Expenses

The Fund reports its operating revenues and expenses separately from its nonoperating revenues and expenses. Operating revenues are earned from the principal activities of collecting, recycling and disposing solid waste, operating a waste-to-energy plant, and providing environmentally safe landfill operations and includes leasing property belonging to the Fund. Operating expenses include employee salaries and benefits, contractual costs, plant operating and maintenance costs, and capital asset depreciation. Nonoperating revenues and expenses are those transactions unrelated to the Fund's principal activities, such as grant revenue, investment earnings, gain on disposal of capital assets and long-term debt interest charges.

### N. Self-Insurance

The Fund participates in a self-insurance internal service fund, which is managed by the BOCC. This fund includes both *risk management* and *employee group health insurance* activities.

Risk management includes workers' compensation, automotive, and general liability. The BOCC is self-insured for workers' compensation claims up to a maximum of $800,000 per occurrence with unlimited excess coverage above the self-insurance cap. Also, the BOCC is self-insured against general liability and automotive claims with limited liability, per Section 768.28, Florida Statutes, of $200,000 per person and $300,000 per occurrence. Negligence claims in excess of the statutory limits can only be recovered through Federal lawsuits or acts of the Florida Legislature.

For fiscal year 2023, settled claims did not exceed insurance coverage. During fiscal year 2023, the Fund paid premiums of $429,000 to the BOCC Self-Insurance Internal Service Fund for workers' compensation, automotive, general liability, and property insurance coverage.

The Fund, through the BOCC, provides health, life and disability insurance for its employees and eligible dependents on a cost-sharing basis with employees. The BOCC has an employee group health self-insurance plan to account for and to finance its uninsured risks of loss. Under this plan, the BOCC provides coverage of up to $550,000 per person annually. Stop-loss insurance was purchased to cover an unlimited amount per person above the $550,000 per person deductible. During fiscal year 2023, the Fund paid $2,017,000 to the BOCC Internal Service Fund for group health, life and disability insurance coverage.

Based on actuarial estimates, liabilities have been established in the BOCC Self-Insurance Fund for claims reported but not paid, and incurred but not reported. Insurance coverage costs paid by the Fund are reflected in the financial statements as a current year operating expense.

### O. Employee Retirement Plans

With a few exceptions, all full-time and part-time employees working for the Fund in regularly established positions are members of the Florida Retirement System (FRS), a multiple-employer cost-sharing public retirement system administered by the state of Florida. The financial statements present the Fund's proportionate shares of the net pension liabilities associated with the retirement plans offered by the Florida Retirement System. The Fund follows GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, an amendment of GASB Statement No. 27.* The Fund also follows GASB Statement No. 82, *Pension Issues, and an amendment of GASB Statements No. 67, No. 68, and No. 73*. GASB Statement 68 covers the measurement of the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense for the retirement plans offered. This statement provides for covered payroll to be used in required supplemental information. See Note 8, *Employee Retirement Plans,* for more information.

In the Statement of Net Position, pension liabilities are recognized for the Fund's proportionate share of the County's share of each pension plan's net pension liability. For purposes of measuring the net pension liability, deferred outflows of resources related to pensions, deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (Pension Plan) defined benefit plan and the Health Insurance Subsidy (HIS) defined benefit plan, and additions to and deductions from the Pension Plan's and the HIS's fiduciary net position, have been determined on the same basis as they are reported by the Pension Plan and HIS plan.

Changes in the net pension liability during the period are recorded as pension expense, deferred outflows of resources, or deferred inflows of resources, depending on the nature of the change. Those changes in the net pension liability that are recorded as deferred outflows of resources or deferred inflows of resources that arise from changes in actuarial assumptions or other inputs, changes in the proportionate share of the net pension liability, and differences between expected or actual experience, are amortized over the average expected remaining service lives of all active and inactive participants that are provided with pensions through the pension plans, and recorded as a component of pension expense beginning with the period in which they arose. Differences between projected and actual investment earnings are reported as deferred outflows of resources or deferred inflows of resources, and are amortized as a component of pension expense using a systematic and rational method over a five year period beginning with the period in which a difference arose.

### P. Other Postemployment Benefits (OPEB)

The Fund, through the BOCC, provides health-related benefits to retirees and certain former employees through a limited stipend to offset the cost of health insurance for regular retirees from ages 62 to 65. This monthly stipend is $5 for each year of service up to a maximum benefit of $150 per month. In addition, the County is deemed to provide an "implicit subsidy" because Florida Statute 112.0801 requires governments to allow retirees and certain former employees to obtain healthcare at the same "group rates" that current employees are charged. See Note 9, *Other Postemployment Benefits (OPEB)*, for more information.

The total OPEB liability is measured as portion of the actuarial present value of projected benefits that is attributed to past periods of employee service. The total OPEB liability is measured as of a date (measurement date) no earlier than the end of the employer's prior fiscal year, consistently applied from period to period. The total OPEB liability is reported in the Statement of Net Position.

### Q. Use of Restricted Versus Unrestricted Net Position

Net position represents the residual interest in the Fund's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of three components: net investment in capital assets, restricted, and unrestricted net position. Net investment in capital assets includes capital assets, net of accumulated depreciation, reduced by outstanding debt incurred to acquire, construct, or improve those capital assets, excluding unexpended debt proceeds. The restricted category represents the balance of assets restricted for use by external parties (creditors, grantors, contributors, or laws or regulations of other governments) or imposed by law through constitutional provisions or enabling legislation. Unrestricted net position consists of the net position not meeting the definition of either of the two components. When an expense is incurred for which both restricted and unrestricted resources are available, Fund policy is to liquidate the expense with restricted resources first, as appropriate and feasible.

### R. Deferred Outflows of Resources and Deferred Inflows of Resources

Deferred outflows of resources represent a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until then. The Fund had deferred refunding loss, pension-related items, and OPEB-related items that qualified as deferred outflows of resources. These items totaled $3,155,000 at September 30, 2023. See Note 8, *Employee Retirement Plans* and Note 9, *Other Postemployment Benefits (OPEB)*, for more information.

Deferred inflows of resources represent the acquisition of resources that apply to future reporting periods and will not be recognized as an inflow of resource (revenue) until then. The Fund had pension, OPEB, and lease-related items that qualified as deferred inflows of resources. These items totaled $1,625,000 at September 30, 2023. See Note 8, *Employee Retirement Plans*, Note 9, *Other Post-Employment Benefits (OPEB)*, and Note 1.G, *Leases*, for more information.

### S. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

### T. GASB Statements

The Fund adopted the following GASB Statements during the fiscal year ended September 30, 2023:

GASB Statement No. 91, *Conduit Debt Obligations*

Issued in May 2019, this Statement is to improve the accounting and financial reporting for conduit debt obligations for governments. This Statement's objective is to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Statement No. 91 clarifies the existing definition of conduit debt obligations; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The Fund implemented this Statement for its fiscal year ended September 30, 2023 and had no significant impact to the Fund's financial reporting.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*

Issued in March 2020, this Statement addresses the global reference rate reform and the ceasing of LIBOR as the end of 2021. Under this Statement, governments are required to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. This Statement will be effective for the Fund beginning when LIBOR ceases to be determined by the ICE Benchmark Administration using the methodology in place as of December 31, 2021. The adoption of GASB Statement No. 93 was implemented for fiscal year ended September 30, 2023. See Note 7.C for additional information.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*

Issued in March 2020, this Statement addresses issues related to public-private and public-public partnership arrangements. This Statement establishes the definitions of Public-Private Partnerships, Public-Public Partnerships, and Availability Payment Arrangements and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. This Statement will enhance the decision usefulness of a government's financial statements by requiring governments to report assets and liabilities related to public-private and public-public partnerships consistently and disclose important information about public-private and public-public partnership transactions. The adoption of GASB Statement No. 94 was implemented for fiscal year ended September 30, 2023 and did not impact the Fund's financial position or results of operations.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangement*

Issued in May 2020, this Statement is to improve the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) by governments. This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset (an intangible asset) and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payment, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The adoption of GASB Statement No. 96 was implemented for fiscal year ended September 30, 2023 and did not impact the Fund's financial position or results of operations.

GASB Statement No. 99, *Omnibus 202*2

Issued in April of 2022, this Statement addresses various accounting issues including:

- Clarification of provisions in GASB 87, as amended, related to the measurement of the lease liability and lease receivable, and the identification of lease incentives.

- The requirements related to leases, Public-Public Partnerships (PPPs), and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter and becomes effective for the Fund at the date of issuance.

- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53.

The adoption of the remaining portions of GASB Statement No. 99 was implemented for fiscal year ended September 30, 2023 and did not impact the Fund's financial position or results of operations.

Management is evaluating the impact of the following issued and unadopted Governmental Accounting Standards Board (GASB) Statements during fiscal year ended September 30, 2023:

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB No. 62*

Issued in June 2022, this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information making decisions or assessing accountability. The Statement will be effective for the Fund beginning with its fiscal year ending September 30, 2024. Management is currently evaluating the impact of the adoption of this Statement on the Fund's financial statements.

GASB Statement No. 101, *Compensated Absences*

Issued in June 2022, this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required discloses. The Statement will be effective for the Fund beginning with its fiscal year ending September 30, 2025. Management is currently evaluating the impact of the adoption of this statement of the Fund's financial statement but does not expect it to have a significant effect on its financial statements.

GASB Statement No. 102, *Certain Risk Disclosures*

Issued in December 2023, this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. That objective is achieved by defining a concentration as a lack of diversity related to an aspect of a significant inflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision making. The Statement will be effective for the Fund beginning with its fiscal year ending September 30, 2025. Management is currently evaluating the impact of the adoption of this statement of the Fund's financial statement but does not expect it to have a significant effect on its financial statements.

## Note 2 Deposits and Investments

### A. Deposits

At September 30, 2023, the Fund's total cash deposits were $4,897,000 and the total bank balance was $5,972,000. Bank balances are fully insured by federal depository insurance or through financial institutions participating in the Florida Security for Public Deposits Act pursuant to Chapter 280, Florida Statutes.

### B. Investments

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application,* the fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels. Level 1 inputs are unadjusted quoted prices in active markets for identical assets. Level 2 inputs are significant observable inputs other than quoted prices included in Level 1. Level 3 inputs are significant unobservable inputs. If the fair value of an asset or liability is measured using inputs from more than one level of the hierarchy, then the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

Investments in State Board of Administration's (SBA's) Florida PRIME and open-end money market mutual funds are not placed in a category because their values are measured at amortized cost. Bond investments are shown in Level 2 because the price of similar bonds would be a Level 2 input. Bond investments are valued monthly with a pricing service that uses matrix pricing.

The Fund's cash, cash equivalents, and investments on September 30, 2023 were as follows:

| *(Amounts in thousands)* | Fair Value Level | Modified Duration in Years | Credit Rating | 2023 |
|---|---|---|---|---|
| U.S. treasury securities | 2 | 1.0 | AA+/A-1+ | $ 135,066 |
| U.S. government sponsored agency securities | 2 | 1.9 | AA+/A-1+ | 47,565 |
| Corporate notes | 2 | 1.4 | AA+/AA/AAA | 4,680 |
| Municipal bonds | 2 | 1.5 | AA | 1,452 |
| Money market mutual funds | 2 | .10 | AAA | 1,723 |
| Total investments | | | | 190,486 |
| Open-end money market mutual funds | 2 | 0.1 | AAA | 783 |
| State Board Administration (SBA) Florida PRIME | -- | 0.2 | AAAm | 49,923 |
| Total cash equivalents and investments | | | | 241,192 |
| Cash deposits | | | | 4,897 |
| Total cash, cash equivalents, investments and deposits | | | | $ 246,089 |

A summary of total cash, cash equivalents, and investments to amounts reported on the Statement of Net Position is as follows:

| *(Amounts in thousands)* | 2023 |
|---|---|
| Cash and cash equivalents: | |
| Current | $ 55,638 |
| Investments: | |
| Current | 169,790 |
| Current, restricted | 20,661 |
| Total investments | 190,451 |
| Total cash, cash equivalents and investments | $ 246,089 |

Modified duration is a measure of interest rate risk. It measures the sensitivity of an investment's price to interest rate changes. The modified duration of the BOCC's investment portfolio was 0.72 years for the fiscal year ended September 30, 2023. The duration of callable securities was calculated using the call date as the maturity date.

A credit rating is a measure of credit risk, the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Custodial credit risk, a subset of credit risk, is the risk that the counterparty fails to fulfill its obligations. All the Fund's investments are insured or registered, or held by the BOCC or its agent in the BOCC's name. On September 30, 2023, there was no amount held by counterparties. Excluding the SBA's Florida PRIME investment pool, United States treasury securities, and mutual funds or investment pools that invest in such securities, the Federal Home Loan Mortgage Corporation represents more than 5% of the BOCC's total investments.

### C. SBA's Florida PRIME

The SBA manages Florida PRIME, an external investment pool that essentially operates as a money market fund for Florida governmental entities. Regulatory oversight of the SBA is provided by three state of Florida elected officials designated as trustees: the Governor serves as Chairman of the SBA; the Chief Financial Officer serves as Treasurer of the SBA; and the Attorney General serves as Secretary of the SBA. External oversight of the State Board of Administration is provided by the Investment Advisory Council, which reviews investment performance, strategy and decision-making, and provides insight, advice and counsel on these and other matters when appropriate. A six-member participant Local Government Advisory Council was created to review the administration of the fund and make recommendations to the trustees. Audit oversight is also provided by the state of Florida Auditor General. Since 2007, Florida PRIME has received Standard & Poor's AAAm rating each year, which is the highest rating for an investment pool.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, Florida PRIME measures its investments at amortized cost.

Florida PRIME currently does not have withdrawal limits or redemption notice periods. With regard to redemption gates, Chapter 218.409(8)(a), Florida Statutes has several provisions. The principal of each account in Florida PRIME is subject to payment at any time from money in Florida PRIME. However, the Executive Director of the SBA may, in good faith, limit contributions to or withdrawals from Florida PRIME for 48 hours due to the occurrence of an event that has material impact on liquidity or operations. Such action must be immediately disclosed to all participants, the Trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The Trustees shall convene an emergency meeting as soon as practicable from the time the Executive Director has instituted such measures and review of the necessity of those measures. If the Trustees are unable to convene an emergency meeting before the expiration of the 48-hour moratorium on contributions and withdrawals, the moratorium may be extended by the Executive Director until the Trustees are able to meet to review the necessity of the moratorium. If the Trustees agree with such measures, the Trustees shall vote to continue the measures for up to an additional 15 days. The Trustees must convene and vote to continue any such measures before the expiration of the time test, but in no case may the time set by the Trustees exceed 15 days.

Although Florida Statute 218.409(4) gives the SBA authority to impose early withdrawal penalties if the amount and purpose of such fees are disclosed in the enrollment materials, the SBA has not imposed such penalties. As of September 30, 2023, there were no redemption fees, maximum transaction amounts, or any other requirements that serve to limit a participant's daily access to full account values.

### D. Investment Policy

Section 218.415, Florida Statutes, authorizes the BOCC to invest surplus money in the following:

a. The state of Florida's Local Government Investment Pool, known as Florida PRIME.

b. Direct obligations of the United States government.

c. Obligations of United States government agencies such as the Government National Mortgage Association.

d. Obligations of United States government sponsored agencies (instrumentalities) such as the Federal Farm Credit System Banks, Freddie Mac (Federal Home Loan Mortgage Corporation), the Federal Home Loan Banks, or Fannie Mae (Federal National Mortgage Association).

e. Interest bearing time deposits or savings accounts in qualified public depositories as defined in Section 280.02, Florida Statutes.

f. United States Securities and Exchange Commission money market funds with the highest credit quality ratings from a nationally recognized rating agency.

g. Securities of, or other interests in, any open-end or closed-end management type investment company or investment trust registered under the Investment Company Act of 1940, as amended, provided the portfolio of such investment company or investment trust is limited to United States government obligations and to repurchase agreements fully collateralized by United States government obligations and provided such investment company or investment trust takes delivery of such collateral either directly or through an authorized custodian.

h. Other investments authorized for the BOCC by law, county ordinance, or resolution.

In addition to the preceding, County Ordinance 08-06 restricts BOCC investments as follows:

i. The entire portfolio may be invested in United States Treasury securities with a maximum maturity length of 10 years, but investments in Treasury strips are limited to 10% of the portfolio.

j. A maximum of 50% of the portfolio may be invested in Florida PRIME.

k. A maximum of 50% of the portfolio may be invested in United States government agency securities, with no more than 10% of the portfolio invested in any individual United States government agency.

l. A maximum of 60% of the portfolio may be invested in obligations of United States government instrumentalities, with a maturity length of 10 years, provided that no more than 30% of the portfolio is invested in any one issuer and no more than 25% of the portfolio is invested in callable securities.

m. A maximum of 20% of the portfolio may be invested in repurchase agreements, excluding one business day agreements and overnight sweep agreements, with no more than 10% of the portfolio in a single institution repurchase agreement.

n. A maximum of 20% of the portfolio may be invested in non-negotiable interest bearing certificates of deposit with an institution having deposits secured by the Florida Security for Public Deposits Act, provided that the maximum maturity on any certificate of deposit is no greater than one year and no more than 10% of the portfolio is invested with any one issuer.

o. A maximum of 20% of the portfolio may be invested in prime commercial paper (i.e. rated Prime-1 by Moody’s, A-1 by Standard and Poor’s, or AA by two nationally recognized rating agencies if backed by a letter of credit), provided no more than 5% of the portfolio is invested in the commercial paper of a single issuer. The maximum length to maturity shall be 270 days from the purchase date.

p. A maximum of 50% of the portfolio may be invested in money market funds offered by registered investment companies and operated in accordance with 17 CFR 270.2a-7, provided that the money market funds are rated AAAm or AAAm-G or better by Standard & Poor’s or the equivalent by another nationally recognized rating agency. No more than 25% of the portfolio may be invested in any one money market fund.

q. A maximum of 15% of the portfolio may be invested in high quality corporate notes (rated Aa by Moody’s and AA by Standard & Poor’s) provided no more than 5% of the portfolio is invested in a single issuer’s notes.

r. A maximum of 20% of the portfolio may be invested in intergovernmental investment pools, provided that the total does not exceed 25% of the intergovernmental pool.

s. A maximum of 25% of the portfolio may be invested in state or local government taxable or tax exempt general obligation or revenue bonds (rated Aa by Moody’s and AA by Standard & Poor’s) or short-term debt (rated MIG-2 by Moody’s and SP-2 by Standard & Poor’s).

t. A maximum of 20% of the portfolio may be invested in bankers' acceptances issued by a domestic bank or federally chartered domestic office of a foreign bank (rated P-1 by Moody’s and A-1 by Standard & Poor’s) with a maximum of 5% of available funds invested with any one issuer. The maximum length to maturity shall be 180 days from purchase date.

u. Investment in reverse repurchase agreements and securities lending transactions are prohibited.

v. The maximum maturities shown above may be exceeded if investments are acquired to fulfill long-term debt service reserve requirements in which case investments are permitted to have maturity dates throughout the term of the debt service reserve.

Deposits in excess of the Fund’s operating requirements are pooled with and invested by the BOCC in various investments, as specified, to attain maximum yield. Investment earnings are distributed based on the average daily balance of each fund’s equity in the pool or as prescribed by the investment ordinance.

### Note 3 Due From/To Other Governments

Due from other governments consists of excess collection fees refunded by the Hillsborough County Tax Collector. These fees relate to residential special assessment collections. At September 30, 2023, the amount due from other governments was $2,353,000.

At September 30, 2023, due to other governments consists of $109,000 due to the Hillsborough County Sheriff’s Office for litter and waste dumping related enforcement.

## Note 4 Capital Assets

Changes in capital assets for the year ended September 30, 2023 were as follows:

| *(Amounts in thousands)* | Beginning Balance | Increases | Decreases | Ending Balance |
|---|---|---|---|---|
| **Capital assets, non-depreciable:** | | | | |
| Land | $ 13,775 | -- | -- | 13,775 |
| Construction work in progress | 6,499 | 2,994 | 685 | 8,808 |
| Total non-depreciable capital assets | 20,274 | 2,994 | 685 | 22,583 |
| **Capital assets, depreciable:** | | | | |
| Buildings and utility plant | 155,777 | 194 | -- | 155,971 |
| Improvements other than buildings | 262,203 | 473 | -- | 262,676 |
| Equipment | 28,504 | 5,349 | 41 | 33,812 |
| Intangibles -- software | 372 | -- | -- | 372 |
| Total depreciable capital assets | 446,856 | 6,016 | 41 | 452,831 |
| **Accumulated depreciation:** | | | | |
| Buildings and utility plant | (128,195) | (1,347) | -- | (129,542) |
| Improvements other than buildings | (152,018) | (9,609) | -- | (161,627) |
| Equipment | (25,122) | (1,108) | (41) | (26,271) |
| Intangibles -- software | (372) | -- | -- | (372) |
| Total accumulated depreciation | (305,707) | (12,064) | (41) | (317,812) |
| Total depreciated capital assets, net | 141,149 | (6,048) | -- | 135,019 |
| Total capital assets, net | $ 161,423 | (3,054) | 685 | 157,602 |

At September 30, 2023, construction work in progress of $8,808,000 is related to the ongoing Solid Waste Management of a Facilities Repair and Replacement master project, the Northwest Transfer Facility Improvements, the Resource Recovery Facility Improvements, the Southeast County Landfill Closure, the Southeast County Landfill Expansion, the Hillsborough County Material Recovery Facility, and the Southeast County Composting Facility Expansion.

## Note 5 Leases

The Fund is a lessor for a noncancellable lease of 899 acres of real property to be used for mixed agricultural use to include cattle grazing. The Fund, acting as a lessor, leases land under a long-term noncancellable lease agreement. The lease expires on October 31, 2024, with one five-year renewal option. The lease has termination options that the lessee may unilaterally exercise by giving an appropriate period of notice to the Fund. Principal received from leases totaled $140,000.

## Note 6 Current Liabilities

### A. Accounts and Contracts Payable

Accounts and contracts payable balances at September 30, 2023 were as follows:

| *(Amounts in thousands)* | 2023 |
|---|---|
| Accounts payable | $ 17,892 |
| Contracts payable | 1,525 |
| Total | $ 19,417 |

### B. Unearned Revenues

Prior to fiscal year ending September 30, 2023, The Fund reported unearned revenues from assessments of early receipts from the Tax Collector on prepaid assessments and a 25% deferral on the entire assessments for waste collection and disposal. Assessments were made on a calendar year basis versus the Fund's fiscal year; therefore, the 25% assessment was deferred to the following year. On July 20, 2022, the Fund adopted County Ordinance 22-18, which changed the non-ad valorem assessment period from a calendar year to a fiscal year ending September 30. This eliminated the requirement of deferring and withholding of the Disposal and Collection assessments for the October through December period. The Fund still recognizes deferred revenues for the prepaid assessments received from the Tax Collector. On September 30, 2023, unearned special assessment revenues were $1,505,000.

## Note 7 Long-Term Liabilities

### A. Compensated Absences

At September 30, 2023, the compensated absence liabilities were $1,146,000, of which $743,000 was a current liability.

### B. Revenue Bonds

On November 21, 2016, the BOCC issued $89,010,000 in Solid Waste Resource Recovery Refunding Revenue Bonds, Series 2016A (Alternative Minimum Tax), and $25,220,000 in Solid Waste Resource Recovery Revenue Bonds, Series 2016B, (Non-AMT). Interest rates ranged from 4.0% to 5.0%, with interest payable semi-annually on March 1 and September 1, respectively. At September 30, 2023, the combined Series 2016 Bonds unpaid principal, including current maturities of $6,300,000, was $78,885,000. The Series 2016 Bonds contain covenants requiring the BOCC to levy user rates to meet operating and maintenance costs, pay scheduled debt service, and to make other required deposits. The 2016A Bonds mature on September 1, 2034 and the 2016B Bonds mature on September 1, 2030.

### C. Notes Payable

On December 21, 2020 the BOCC issued a $22,000,000 Solid Waste and Resource Recovery Revenue Note, Series 2020 (Alternative Minimum Tax) with Bank of America which is a non-revolving credit agreement line of credit with a variable interest rate of SOFR (Secured Overnight Financing Rate) index plus 0.11448% and will mature on September 1, 2040. The interest is payable quarterly. The Note is to finance a portion of costs of capital improvements to the Northwest Solid Waste Transfer Station Facility and the Southeast County Landfill. At September 30, 2023, the outstanding principal balance was $22,000,000 and the interest rate was 2.48%.

Until June 30, 2023 the Solid Waste and Resource Recovery Revenue Note, Series 2020 (Alternative Minimum Tax) had a variable interest rate of 80% of LIBOR index plus .59%. On June 30, 2023 LIBOR ceased to exist as an interest rate index. Pursuant to the terms of the Note, the Bank may select a successor rate most comparable to LIBOR with reference to industry standards. Accepted industry standards indicated that the successor rate to LIBOR shall be the Secured Overnight Financing Rate ("SOFR") plus a SOFR adjustment of 0.11448% per annum.

### D. Revenues Pledged for Debt Service and Future Debt Service Requirements

Under Bond Resolution R06-231 and County Ordinance 06-28, operating revenues are pledged and distributed as follows: first, to payment for operations and maintenance costs, and second, to annual debt service requirements on the outstanding bonds.

A combined summary of the Series 2016A, 2016B bonds and the Series 2020 Resource Recovery Revenue Note debt service requirements including current maturities of $6,300,000 and $850,000 are as follows:

| | Bonds | | Notes from Direct Borrowings and Direct Placements | | |
|---|---|---|---|---|---|
| *(Amounts in thousands)* | **Principal** | **Interest** | **Principal** | **Interest** | **Total** |
| 2024 | $ 6,300 | 3,857 | 850 | 909 | 11,916 |
| 2025 | 6,620 | 3,542 | 895 | 871 | 11,928 |
| 2026 | 6,785 | 3,211 | 940 | 831 | 11,767 |
| 2027 | 6,260 | 2,872 | 985 | 789 | 10,906 |
| 2028 | 6,580 | 2,559 | 1,035 | 745 | 10,919 |
| 2029-2033 | 37,640 | 7,561 | 6,005 | 2,965 | 54,171 |
| 2034-2038 | 8,700 | 348 | 7,660 | 1,458 | 18,166 |
| 2039-2042 | -- | -- | 3,630 | 152 | 3,782 |
| Total principal and interest | 78,885 | 23,950 | 22,000 | 8,720 | 133,555 |
| Plus unamortized issue premium | 8,024 | -- | -- | -- | 8,024 |
| Revenue bonds and notes payable | 86,909 | 23,950 | 22,000 | 8,720 | 141,579 |
| Less current maturities | (6,300) | -- | (850) | -- | (7,150) |
| Revenue bonds and notes payable, net | $ 80,609 | 23,950 | 21,150 | 8,720 | 134,429 |

### E. General Liabilities

Open Landfill Closure and Postclosure Costs: At September 30, 2023, the liability for landfill closure and postclosure care costs was $31,966,000. More information on these expenses and the related liabilities is disclosed in Note 11.A, *Open Landfill*.

Closed Landfill Remediation and Monitoring Costs: At September 30, 2023, there were recorded liabilities of $1,894,000 related to potential remediation and monitoring costs at landfill sites closed prior to October 9, 1991. More information on these reserves is disclosed in Note 11.B, *Closed Landfills*.

A summary of general liabilities at September 30, 2023, less current maturities of $393,000 were as follows:

| *(Amounts in thousands)* | **2023** |
|---|---|
| Landfill closure and postclosure costs | $ 31,966 |
| Closed landfill remediation | 1,894 |
| Total other liabilities | 33,860 |
| Less current maturities | 393 |
| General liabilities, less current maturities | $ 33,467 |

At September 30, 2023, these amounts were scheduled for payment in fiscal year ending as follows:

| *(Amounts in thousands)* September 30, | Amount |
|---|---|
| 2024 | $ 393 |
| 2025 | 403 |
| 2026 | 229 |
| 2027 | 234 |
| 2028 | 240 |
| 2029-2033 | 344 |
| 2034-2038 | 40 |
| 2039-2043 | 10 |
| 2044-2048 | 1,021 |
| 2049-2053 | 5,103 |
| 2054-2058 | 5,103 |
| 2059-2063 | 5,103 |
| 2064-2068 | 5,103 |
| 2069-2073 | 5,193 |
| 2074-2078 | 4,307 |
| 2079-2083 | 225 |
| 2084-2088 | 225 |
| 2089-2093 | 225 |
| 2094-2098 | 225 |
| 2099-2103 | 134 |
| Total general liabilities | $ 33,860 |

### F. Changes in Long-Term Liabilities

The changes in total non-current liabilities for the fiscal year ended September 30, 2023 were as follows:

| *(Amounts in thousands)* Description: | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|---|---|---|---|---|
| 2016A and 2016B bonds | $ 84,885 | -- | 6,000 | 78,885 | 6,300 |
| 2020 notes payable -direct borrowings | 22,000 | -- | -- | 22,000 | 850 |
| Unamortized bond issue premium | 9,400 | -- | 1,376 | 8,024 | -- |
| Compensated absences | 707 | 1,182 | 743 | 1,146 | 743 |
| Net pension liability | 8,861 | 1,932 | -- | 10,793 | -- |
| OPEB liability | 527 | 369 | 190 | 706 | -- |
| Landfill closure and post closure care costs | 29,993 | 1,973 | -- | 31,966 | -- |
| Closed landfill remediation | 2,380 | -- | 486 | 1,894 | 393 |
| Total other liabilities | $ 158,753 | 5,456 | 8,795 | 155,414 | 8,286 |

## Note 8 Employee Retirement Plans

### Florida Retirement System – General Information

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

The state of Florida issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. For additional details, see: www.dms.myflorida.com/workforce_operations/retirement/publications/annual_reports. The report may also be obtained by writing to the state of Florida Division of Retirement, PO Box 9000, Tallahassee, Florida 32315-9000.

The County Plan for FRS is allocated to the Fund based on a percentage of contributions (Fund contributions divided by the total County FRS contributions) and for HIS is allocated based on percentage of covered payroll (Fund covered payroll divided by total County covered payroll).

**Plan Descriptions for Cost-Sharing Defined Benefit Plans**

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

- The Retiree Health Insurance Subsidy (HIS) Program is a multiple-employer cost-sharing, defined benefit pension plan established and administered in accordance with Section 112.363, Florida Statutes. The Florida Legislature sets and amends the contribution requirements and benefit terms of the HIS Program.

**Benefits Provided**

FRS Pension Plan

Benefits under the Pension Plan are computed on the basis of age, average final compensation, and service credit. Regular Class, Senior Management Service Class and Elected Officers Class plan members hired prior to July 1, 2011 at age 62 with 6 years of credited service or 30 years of service regardless of age are entitled to an annual retirement benefit payable monthly for life, equal to 1.6% of their final average compensation for each year of credited service. Average final compensation is the average of the employee’s five highest fiscal years of salary earned during credited service. Vested employees with less than 30 years of service may retire before age 62 and receive reduced retirement benefits.

Regular Class, Senior Management Service Class and Elected Officers Class plan members hired after June 30, 2011 at age 65 with 8 years of credited service or 33 years of service regardless of age are entitled to annual retirement benefits payable monthly for life, equal to 1.6% of their final average compensation for each year of credited service. Average final compensation will be the average of the employee’s eight highest fiscal years earned during credited service. Vested employees with less than 33 years of service may retire before age 65 and receive reduced retirement benefits.

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

In addition to the above benefits, the DROP program allows eligible members to defer receipt of monthly retirement benefit payments while continuing employment with a FRS employer for a period not to exceed 60 months after electing to participate. Deferred monthly benefits are held in the FRS Trust Fund and accrue interest. There are no required contributions by DROP participants.

HIS Program

The benefit under the HIS Program is a monthly payment to assist retirees of the state-administered retirement systems in paying their health insurance costs. For the fiscal year ended June 30, 2023, eligible retirees and beneficiaries received a monthly HIS payment equal to the number of years of service credited at retirement multiplied by $5. The minimum payment is $30 and the maximum payment is $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive an HIS benefit, a retiree under one of the state-administered retirement systems must provide proof of eligible health insurance coverage, which may include Medicare.

**Contributions**

FRS Pension Plan

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute 3% of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the periods from October 1, 2022 through June 30, 2023 and from July 1, 2022 through September 30, 2023, respectively, were as follows: Regular Class participants—11.91% and 13.57%; Senior Management Service participants—31.57% and 34.52%; and DROP participants—18.60% and 21.13%. These employer contribution rates include 1.66% of HIS subsidies for 2022 and 2023.

HIS Program

The HIS Program is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. The HIS contribution for the period October 1, 2022 through September 30, 2023 was 1.66%. The employer contribution rates shown in the FRS Pension Plan section above include the HIS Program contribution rate of 1.66%, for the periods of October 1, 2022 through September 30, 2023. HIS Program contributions are deposited in a separate trust fund from which payments are authorized. HIS Program benefits are not guaranteed and are subject to annual legislative appropriation. In the event that legislative appropriations and/or available funds are not sufficient, HIS benefits may be reduced or canceled.

The Fund's contributions, including employee contributions, to the FRS Pension Plan were $889,000 for the fiscal year ended September 30, 2023. The Fund's contributions to the HIS Program were $163,000 for the fiscal year ended September 30, 2023.

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

**Pension Liabilities -** At September 30, 2023, the Fund reported net pension liabilities of $7,187,000 and $3,606,000, respectively, for its proportionate shares of the FRS Pension Plan and HIS Program net pension liabilities. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation of the FRS Pension Plan as of July 1, 2023 and the HIS Program as of July 1, 2022. The Fund's proportionate share of the net pension liability was based on the Funds's contributions as a percentage of all contributions from participating members for the state of Florida fiscal year ended June 30, 2023. At June 30, 2023, the Fund's proportionate shares for the FRS Pension Plan and HIS Program were 0.858% and 1.254%, respectively, of the County's proportionate share. The Fund's proportionate shares for the FRS Pension Plan, which was 0.069% higher than the respective proportionate shares measured as of June 30, 2022, and HIS Program, which was 0.091% percentage points higher than the respective proportionate shares measured as of June 30, 2022. The components of the Fund's net pension liabilities at September 30, 2023 were as follows:

| *(Amounts in thousands)* | | FRS Pension Plan | HIS Program | Total |
|---|---|---|---|---|
| Total pension liability | $ | 40,800 | 3,761 | 44,561 |
| Plan fiduciary net position | | (33,613) | (155) | (33,768) |
| Net pension liability | $ | 7,187 | 3,606 | 10,793 |
| Plan fiduciary net position as a percentage of the total pension liability | | 82.38 % | 4.12 % | 75.78 % |

"Plan fiduciary net position" represents cash and investment assets held to pay pension liabilities as they mature. Detailed information regarding the FRS Pension Plan and HIS Program fiduciary net position is available in the separately issued FRS *Pension Plan and Other State-Administered Systems Annual Comprehensive Financial Report*. To obtain this report, see the second paragraph of this note.

**Pension (Benefit) Expense -** For the fiscal year ended September 30, 2023, the Fund recognized pension expense of $590,000 and $1,283,000 for the Pension Plan and HIS Program, respectively.

**Deferred Outflows/Inflows of Resources** – For the fiscal year ended September 30, 2023, the Fund reported pension-related deferred outflows of resources and deferred inflows of resources from the following sources:

| | FRS Pension Plan | | HIS Program | | Total | |
|---|---|---|---|---|---|---|
| *(Amounts in thousands)* | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience | $ 638 | -- | 50 | (9) | 688 | (9) |
| Changes in assumptions | 445 | -- | 89 | (313) | 534 | (313) |
| Net difference between projected and actual earnings on plan investments | 285 | -- | 2 | -- | 287 | -- |
| Changes in proportion and differences between County contributions and proportionate share of contributions | 204 | 137 | 103 | (86) | 307 | 51 |
| County contributions subsequent to the measurement date | 244 | -- | 45 | -- | 289 | -- |
| Total | $ 1,816 | 137 | 289 | (408) | 2,105 | (271) |

The deferred outflows of resources totaling $244,000 and $45,000 resulting from Fund contributions to the Pension Plan and HIS Program, respectively, which were subsequent to the June 30, 2023 measurement date, will be recognized as a pension expense in the fiscal year ending September 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the FRS Pension Plan and HIS Program will be recognized in pension expense as follows:

| *(Amounts in thousands)* September 30, | FRS Pension Plan | HIS Program |
|---|---|---|
| 2024 | $ 233 | (29) |
| 2025 | (92) | (18) |
| 2026 | 1,399 | (29) |
| 2027 | 133 | (56) |
| 2028 | 36 | (30) |
| Thereafter | -- | (2) |
| Total | $ 1,709 | (164) |

**Actuarial Assumptions** – The total pension liabilities for the FRS Pension Plan in the June 30, 2023 actuarial valuation and HIS Program in the June 30, 2022 actuarial valuation were determined using the following actuarial assumptions, applied to all periods included in the measurement:

- Inflation rate of 2.40%.
- Average rate of salary increases of 3.25%, including inflation.
- Investment rate of return, net of pension plan investment expense of 6.70%, including inflation for FRS Pension Plan; there is no change from the prior year.

- Investment rate of return, net of pension plan investment expense of 3.65%, including inflation for HIS Plan; this was an increase from 3.54% in the prior year.

- Average expected remaining service life of active and inactive participants in the FRS Pension Plan at June 30, 2023 was 5.3 years.

- Average expected remaining service life of active and inactive participants in the HIS Program at June 30, 2023 was 6.3 years.

- Mortality rates were based on the PUB-2010 base table, projected generationally with Scale MP-2018 for the FRS Pension Plan and the HIS Program.

The actuarial assumptions used in the July 1, 2023, FRS Pension Plan valuation were based on the results of an actuarial experience study for the period July 1, 2013 through June 30, 2018.

The long-term expected rates of return on FRS Pension Plan investments were not based on historical returns, but instead were based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions. A mean inflation rate of 2.4% was assumed along with a standard deviation of 1.3%. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

| | Target Allocation | Annual Arithmetic Return | Compound Annual (Geometric) Return | Standard Deviation |
|---|---|---|---|---|
| Cash | 1.0 % | 2.9 % | 2.9 % | 1.1 % |
| Fixed income | 19.8 % | 4.5 % | 4.4 % | 3.4 % |
| Global equity | 54.0 % | 8.7 % | 7.1 % | 18.1 % |
| Real estate (property) | 10.3 % | 7.6 % | 6.6 % | 14.8 % |
| Private equity | 11.1 % | 11.9 % | 8.8 % | 26.3 % |
| Strategic investments | 3.8 % | 6.3 % | 6.1 % | 7.7 % |
| | 100 % | | | |

**Discount Rates** – The FRS Pension Plan discount rate used to measure the total pension liability was 6.70%. The FRS Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return.

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

**Sensitivity of Net Pension Liability to Changes in the Discount Rate** – The Fund's proportionate share of the FRS Pension Plan and HIS Program will change under varying discount rate assumptions. For example, a higher discount rate would lead to a lower net pension liability. Conversely, a lower discount rate would lead to a higher net pension liability. The following chart shows the effects on the FRS Pension Plan and HIS Program net pension liabilities under discount rates that are one percentage point higher or lower than the discount rate actually used. The chart specifically shows the net pension liability of the FRS Pension Plan if its discount rates were 5.70%, 6.70% or 7.70% as well as the net pension liability of the HIS Program if its discount rates were 2.65%, 3.65% or 4.65%.

| Proportionate Share of FRS Pension Plan Net Pension Liability | | | Proportionate Share of HIS Program Net Pension Liability | | |
|---|---|---|---|---|---|
| 1% Decrease | Current Discount Rate | 1% Increase | 1% Decrease | Current Discount Rate | 1% Increase |
| 5.70 % | 6.70 % | 7.70 % | 2.65 % | 3.65 % | 4.65 % |
| $ 12,277 | 7,187 | 2,929 | 4,113 | 3,606 | 3,185 |

The Fund remits contractually required FRS Pension Plan and HIS Program contributions as established by the Florida Legislature. The Fund did not have a payable for outstanding contributions to the FRS Pension Plan, HIS Program or Investment Plan at September 30, 2023.

Investment Plan

The SBA administers the defined contribution plan officially titled the FRS Investment Plan. The Investment Plan is reported in the SBA's annual financial statements and in the state of Florida Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS Pension Plan. County employees participating in DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan, are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.) as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of plan members. See FRS Pension Plan contribution rates in the Contributions section of this note for more information.

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

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

The Fund remits contractually required FRS Investment Plan contributions as established by the Florida Legislature. The Fund’s total contributions to the Investment Plan were approximately $179,000 for fiscal year 2023.

## Note 9 Other Postemployment Benefits (OPEB)

The County has a single-employer defined benefit OPEB plan. Some non-County employers participate in the County OPEB plan, but their participation is immaterial individually and in total. The County expenses the cost of OPEB over the active service lives of its employees rather than using a “pay-as-you-go” basis. Expensing the cost of a future benefit over the active work-lives of employees is a fiscally sound approach because employees earn the future benefits over their working careers.

### OPEB Plan Description and Benefits Provided

*County OPEB Plan Description.* The County provides the following health-related benefits to retirees and certain former employees, which together represent the County OPEB Plan: (a) The County is required by Florida Statute 112.0801 to allow retirees and certain former employees to buy healthcare coverage at the same “group rates” that current employees are charged. Although retirees pay for healthcare at group rates, they receive a valuable benefit because they can buy insurance at costs that are lower than the costs associated with the experience rating for their age bracket. The availability of this lower cost health insurance represents an *implicit subsidy* for retirees; (b) The County offers a monthly stipend of $5 for each year of service up to a maximum benefit of $150 per month. The stipend is payable to regular retired employees from ages 62 to 65. The stipend is to be used to offset the cost of health insurance. Although the implicit subsidy is required by state law when healthcare is offered as an employee benefit, the stipend may be cancelled at any time. The County does not issue separate OPEB Plan financial statements. As a result, all required disclosures are included in this report.

Substantially all full-time County employees may qualify for these OPEB benefits. At September 30, 2023, the OPEB Plan covered approximately 6,329 active County employees, consisting of those currently eligible and those not yet fully eligible, as well as 476 retirees or other inactive employees.

### Total OPEB Liability

**Actuarial Method and Assumptions -** The total OPEB liability was actuarially determined based on several actuarial assumptions. September 30, 2023 was the actuarial measurement date. Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The actuarial assumptions used in the September 30, 2023 OPEB Plan valuation were based on the results of an actuarial experience study for the period from October 1, 2022 through September 30, 2023.

The entry age normal actuarial cost method was used in the September 30, 2023 actuarial valuation. Other actuarial assumptions included an inflation rate of 2.5% and a discount rate of 4.09%, which was a 0.07% decrease from the prior year discount rate of 4.02%. In addition, the initial annual healthcare cost trend rate assumptions were 6.75% grading down to an ultimate rate of 4.5% for the BOCC. In addition, the average age of active participants was 45.6 years and the average age of inactive participants was 63.2 years. Mortality rates were based on the PUB-2010 generational table for general employees scaled using MP-21 and applied on a gender-specific basis.

*Sensitivity of Total OPEB Liability to Changes in Either the Discount Rate or Changes in the Healthcare Trend Rate* – The first chart below presents the Funds's total OPEB liability, as well as what the Fund's total OPEB liability would be if it were calculated using a discount rate that is one percentage-point lower (3.09%) or one percentage-point higher (5.09%) than the current discount rate. The second chart below presents the Fund's total OPEB liability, as well as what the Fund's total OPEB liability would be if it were calculated using a healthcare trend rate that is one percentage-point lower (5.75%) or one percentage-point higher (7.75%) than the current healthcare trend rate.

The healthcare trend rate of 6.75% is an initial rate. The total OPEB liability shown on the chart below, however, is based on the following healthcare trend rate: approximately 6.75% grading down .5% each year to an ultimate rate of 4.5% for the BOCC.

| Sensitivity of Total OPEB Liability to Changes in Discount Rate | | | Sensitivity of Total OPEB Liability to Changes in Healthcare Trend Rate | | |
|---|---|---|---|---|---|
| 1% Decrease (3.09%) | Discount Rate (4.09%) | 1% Increase (5.09%) | 1% Decrease (5.75%) | Healthcare Trend Rate (6.75%) | 1% Increase (7.75%) |
| $ 818,000 | 706,000 | 668,000 | 657,000 | 706,000 | 834,000 |

**OPEB Liabilities, Expense, Deferred Outflows of Resources and Deferred Inflows of Resources**

**OPEB Liabilities** - At September 30, 2023, the Fund reported total OPEB liabilities of $706,000. The Fund's OPEB liability is allocated based on the percentage of the Fund's covered payroll to the overall covered payroll of the Plan. The total OPEB liability was measured as of September 30, 2023. The components of the Fund's total OPEB liability at September 30, 2023 were as follows:

| *(Amounts in thousands)* | OPEB Plan |
|---|---|
| Total OPEB Liability | $ 706 |
| Covered employee payroll (active plan members) | 9,366 |
| Total OPEB liability as a percentage of covered employee payroll | 7.5 % |

If cash and investments were placed in an irrevocable trust for OPEB, then the cash and investments would be subtracted from "total OPEB liability" to determine the "net OPEB liability." The County has set aside $53,106,000 in the Self-Insurance Internal Service Fund for OPEB. Fair value was used to value the cash and investments set aside. This $53,106,000 represents 43.37% of the County's total OPEB liability at September 30, 2023. However, since an irrevocable trust was not established, none of this $53,106,000 in cash and investments is considered to be "plan fiduciary net position." Total OPEB liability is reported in the accompanying statements of net position because an irrevocable trust was not established.

The change in the total OPEB liability during fiscal year 2023, as well as the beginning and ending total OPEB liability is shown below:

| (*Amounts in thousands*) | **Total OPEB Liability** |
|---|---|
| Balance at October 1, 2022 | $ 527 |
| Changes for the fiscal year: | |
| Service cost | 17 |
| Interest | 22 |
| Differences between expected and actual experience | 330 |
| Changes in assumptions and other inputs | (122) |
| Benefit payments | (68) |
| Net changes | 179 |
| Balance at September 30, 2023 | $ 706 |

*Funding Policy, Status and Progress.* In order for OPEB obligations to be considered funded, an irrevocable trust fund must be used. Since that would be considered very restrictive, the County did not "fund" the total OPEB obligation, but instead chose to appropriate and set aside amounts annually in the Self-Insurance Internal Service Fund so the total OPEB liability is completely offset by cash and investments over time.

Since the OPEB Plan was not considered funded, GASB Statement No. 75 requires that the plan's discount rate be obtained using the index rate for 20-year, tax exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index. The discount rate was 4.09%, an increase of 0.07% from the discount rate used in the prior year of 4.02%.

*Contributions*. Assessments were made to participating funds with the goal of accumulating the cash and investments in the Self-Insurance Internal Service Fund to offset the total OPEB liability. The level of assessments are set annually by County management. There are no statutory or other legally required contribution levels. It is the Fund's intent to continue setting aside additional monies each year for OPEB. Total assessments were $42,000 for fiscal year 2023.

**OPEB Expense** - For the fiscal year ended September 30, 2023, the Fund recognized OPEB expense of $24,000. Changes in total OPEB liability are recognized in OPEB expense during the fiscal year except for as indicated in the section on Deferred Outflows/Inflows of Resources.

**Deferred Outflows/Inflows of Resources** – "Deferred outflows of resources" are a consumption of net assets by the Fund that is applicable to a future reporting period. "Deferred inflows of resources" are an acquisition of net assets by the Fund that is applicable to a future reporting period. For each of the following, a portion was recognized in OPEB expense during fiscal year 2023, and the balance was amortized as deferred outflows or deferred inflows of resources using a systematic and rational method over a closed period, as defined below:

- Differences between expected and actual experience regarding economic and demographic factors are amortized over the average expected remaining service life of all employees that are provided with OPEB benefits through the OPEB plan, including both active and inactive employees.
- Changes in assumptions or other inputs are amortized over the average expected remaining service life of all employees covered by the OPEB plan, including both active and inactive employees.

Deferred outflows of resources and deferred inflows of resources related to the Fund's OPEB Plan were as follows:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|---|---|
| Differences between expected and actual experience | $ 351,000 | (26,000) |
| Changes in assumptions | 179,000 | (223,000) |
| Total | $ 530,000 | (249,000) |

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

| | OPEB Expense |
|---|---|
| 2024 | $ 14,000 |
| 2025 | 14,000 |
| 2026 | 14,000 |
| 2027 | 14,000 |
| 2028 | 14,000 |
| Thereafter | 211,000 |
| Total | $ 281,000 |

The Fund did not have any interfund payables to the Self-Insurance OPEB Plan at September 30, 2023.

## Note 10 Outstanding Purchase Orders and Contracts

At September 30, 2023, outstanding purchase orders and contracts were $28,466,000.

The Capital Improvement Program is a financial plan of proposed capital projects covering a five or six year period. Project costs can include project development, site acquisition, design, construction, renovation, initial fixtures and equipment, and administration. The Capital Improvement Program does not identify all project costs. It only identifies what is expected to be appropriated during the period. Total capital costs will be greater. The Capital Improvement Program for fiscal years 2024 through 2029 incorporates Solid Waste Fund projects with a total cost of $903,700,000.

## Note 11 Accounting for Municipal Solid Waste Landfill Costs

### A. Open Landfill

GAAP requires municipal solid waste landfill owners to record a current expense and the related long-term liability for certain future landfill closure and postclosure care costs. GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs*, is based on a United States Environmental Protection Agency rule, Solid Waste Disposal Facility Criteria, and has two components. The first component establishes closure requirements for landfills receiving solid waste after October 9, 1991. The second component establishes thirty-year postclosure care requirements for landfills receiving solid waste after October 9, 1993. Additionally, the Florida Department of Environmental Protection (FDEP), through Rule 62-701.630, Florida Administrative Code, established other financial accountability standards for landfill closure and postclosure care. As an owner and operator of an open landfill, the Fund must accumulate financial resources to close the landfill after the landfill stops accepting solid waste and to perform postclosure maintenance and monitoring functions at the closed landfill site for thirty years.

GAAP requires recording a portion of the future closure and postclosure care costs as a current period operating expense and as a liability based on the cumulative amount of landfill capacity consumed as of each Statement of Net Position date. Fund management estimates, based on an independent engineer's cost projection at September 30, 2023, that total future closure and postclosure care costs will be $50,770,000. The actual costs for future landfill closure and postclosure care costs may differ from projections due to inflation, deflation, technology, and environmental law changes. Of the total cost projection of $50,770,000, life to date liabilities of $31,966,000 were recorded at September 30, 2023, based on the amount of cubic yards consumed as of those dates. For the fiscal year ended September 30, 2023, the Fund recorded future closure and postclosure care costs of $1,973,000.

Of the total cost projection of $50,770,000, a life-to-date liability of $31,966,000 was recorded at September 30, 2023 as a part of other long-term debt for business-type activities. See Note 7.E, *General Liabilities*. This liability for future landfill closure and postclosure care costs was determined from the consulting engineer's certification that 40.4% or 18,750,000 cubic yards of the estimated 46,463,000 cubic yards landfill capacity had been consumed at September 30, 2023. Although only 40.4% of the overall landfill capacity was consumed, a total of 63.0% of the total closure and postclosure costs were reported as a liability because the landfill consists of two separate sections and the calculations were done separately on each section. Section One has total projected closure and postclosure care costs of $39,181,000, of which 78.1% was consumed. Section Two has total projected closure and postclosure care costs of $11,589,000, of which only 11.6% was consumed. The County will record the balance of the projected future closure and postclosure care costs of $31,966,000, as adjusted by future estimated cost revisions, as the remaining landfill capacity is consumed. The County anticipates closing Section One of the landfill in 25 years (fiscal year 2048) and Section Two of the landfill in 49 years (fiscal year 2072).

### B. Closed Landfills

Fund management annually reviews, and revises when necessary, the estimates for potential remediation and monitoring costs at landfills closed prior to October 9, 1991. At September 30, 2023, the estimated liability for future remediation and monitoring costs of these closed landfill sites was $1,894,000.

### C. Fiscal Responsibility for Future Landfill Closure Costs

Fund management, as required by state law, must certify annually that sufficient financial resources are available to pay future landfill closure and postclosure care costs. Management chose an annual financial test to comply with this requirement. This financial test requires a governmental entity to demonstrate that its tangible net position is at least six times greater than the combined total estimated amount of closure and postclosure care costs as of the Statement of Net Position date. The BOCC's net position was used to meet this test. As of September 30, 2023 management believes the Fund was compliant with all financial responsibility requirements.

## Note 12 Contingencies

### A. Litigation

The Fund is involved in certain litigation in the ordinary course of operations. Management believes, after consulting with legal counsel, that any potential losses would not materially affect the Fund's financial condition for the fiscal year ended September 30, 2023.

There is a reasonable possibility that future charges may occur in excess of the amount recorded to absorb closed landfill remediation costs. Fund management does not believe that potential liabilities in excess of amounts recorded would materially affect the accompanying financial statements.

### B. State and Federal Grants

Grants received and disbursed by the Fund are for specific purposes and are subject to review by grantor agencies and their independent auditors. Such audits may result in requests for repayments due to disallowed costs. Management believes that such repayments, if any, would not materially affect the Fund's financial condition at September 30, 2023.

### C. Environmental Protection

Occasionally, the Florida Department of Environmental Protection may cite the Fund for accidental environmental infractions. These infractions and the related remediation activities are considered a routine part of Fund business operations. Management believes that any contingent liabilities arising from an accidental environmental infraction, if any, would be immaterial.

# HILLSBOROUGH COUNTY, FLORIDA
## Solid Waste Enterprise Fund
## Public Utilities Department
## Schedule of Proportionate Share of the
## Florida Retirement System Net Pension Liabilities for the
## Pension Plan and Health Insurance Subsidy Program (Unaudited)
## Last Ten Fiscal Years
**Required Supplementary Information**

*(Amounts in thousands)*

### FRS Pension Plan

| | | 6/30/23 | 6/30/22 | 6/30/21 | 6/30/20 | 6/30/19 | 6/30/18 | 6/30/17 | 6/30/16 | 6/30/15 | 6/30/14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund's proportion of the FRS net pension liability | | 0.858 % | 0.868 % | 0.799 % | 0.740 % | 0.684 % | 0.719 % | 0.741 % | 0.739 % | 0.016 % | -- % |
| Fund's proportionate share of the FRS net pension liability | $ | 7,187 | 6,525 | 677 | 7,674 | 6,063 | 5,265 | 5,363 | 4,525 | 2,121 | 1,027 |
| Fund's covered payroll | $ | 9,366 | 8,754 | 7,833 | 7,447 | 7,031 | 6,796 | 6,046 | 6,953 | 6,624 | 6,738 |
| Fund's proportionate share of the FRS net pension liability as a percentage of its covered payroll | | 76.73 % | 74.54 % | 8.64 % | 103.05 % | 86.23 % | 77.47 % | 88.70 % | 66.81 % | 32.24 % | - % |
| FRS fiduciary net position as a percentage of the total pension liability | | 82.38 % | 82.89 % | 96.40 % | 78.85 % | 82.61 % | 84.26 % | 83.89 % | 84.88 % | 92.00 % | 96.00 % |

### Health Insurance Subsidy Program

| | | 6/30/23 | 6/30/22 | 6/30/21 | 6/30/20 | 6/30/19 | 6/30/18 | 6/30/17 | 6/30/16 | 6/30/15 | 6/30/14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Fund's proportion of the HIS net pension liability | | 1.254 % | 1.299 % | 1.208 % | 1.229 % | 1.169 % | 1.185 % | 1.229 % | 1.242 % | 0.021 % | - % |
| Fund's proportionate share of the HIS net pension liability | $ | 3,606 | 2,336 | 2,751 | 2,663 | 2,445 | 2,276 | 2,349 | 2,512 | 2,153 | 1,975 |
| Fund's covered payroll | $ | 9,366 | 8,754 | 7,833 | 7,447 | 7,031 | 6,796 | 6,046 | 6,953 | 6,624 | - |
| Fund's proportionate share of the HIS net pension liability as a percentage of its covered payroll | | 38.50 % | 26.68 % | 35.12 % | 35.76 % | 34.77 % | 33.49 % | 38.85 % | 37.09 % | 32.83 % | -- % |
| HIS fiduciary net position as a percentage of the total pension liability | | 4.12 % | 4.81 % | 3.56 % | 3.00 % | 2.63 % | 2.15 % | 1.64 % | 0.97 % | 0.50 % | -- % |

Notes to the schedule:

1. Amounts are as of June 30 of each year.
2. The discount rates used by the FRS Plan for fiscal years 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, respectively, are 6.70%, 6.70%, 6.80%, 6.80%, 6.90%, 7.00%, 7.10%, 7.60%, 7.65% and 7.65%. The discount rates used for the HIS Program for fiscal years 2023, 2022, 2021, 2020, 2019, 2018, 2017, 2016, 2015, and 2014, respectively, are 3.65%, 3.54%, 2.16%, 2.21%, 3.50%, 3.87%, 3.58%, 2.85%, 3.80% and N/A.

# HILLSBOROUGH COUNTY, FLORIDA
## Solid Waste Enterprise Fund
## Public Utilities Department
## Schedule of Contributions
## Florida Retirement System Pension Plan and Health Insurance Subsidy Program (Unaudited)
## Last Ten Fiscal Years
### Required Supplementary Information
*(Amounts in thousands)*

**FRS Pension Plan**

| | | 9/30/23 | 9/30/22 | 9/30/21 | 9/30/20 | 9/30/19 | 9/30/18 | 9/30/17 | 9/30/16 | 9/30/15 | 9/30/14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required contributions | $ | 889 | 745 | 634 | 530 | 499 | 769 | 532 | 501 | 391 | 360 |
| Contributions in relation to the contractually required contribution | | 889 | 745 | 634 | 530 | 499 | 769 | 532 | 501 | 391 | 360 |
| Fund's covered payroll | $ | 9,366 | 8,754 | 7,948 | 7,719 | 7,080 | 6,782 | 6,909 | 5,773 | 6,559 | -- |
| Contributions as a percentage of covered payroll | | 9.49 % | 8.51 % | 7.98 % | 6.87 % | 7.05 % | 11.34 % | 7.40 % | -- % | -- % | -- % |

**Health Insurance Subsidy Program**

| | | 9/30/23 | 9/30/22 | 9/30/21 | 9/30/20 | 9/30/19 | 9/30/18 | 9/30/17 | 9/30/16 | 9/30/15 | 9/30/14 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Contractually required contributions | $ | 163 | 145 | 132 | 128 | 117 | 112 | 53 | 49 | 42 | 37 |
| Contributions in relation to the contractually required contribution | | 163 | 145 | 132 | 128 | 117 | 112 | 53 | 49 | 42 | 37 |
| Fund's covered payroll | $ | 9,366 | 8,754 | 7,948 | 7,719 | 7,080 | 6,782 | 6,909 | 5,773 | 6,559 | -- |
| Contributions as a percentage of covered payroll | | 1.74 % | 1.66 % | 1.66 % | 1.66 % | 1.65 % | 1.65 % | 0.77 % | 0.72 % | -- % | -- % |

# HILLSBOROUGH COUNTY, FLORIDA
## Schedule of Changes in Total OPEB Liability and Related Ratios (Unaudited)
## Last Eight Fiscal Years
### Required Supplementary Information
*(Amounts in thousands)*

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---|---|---|---|---|---|---|---|---|
| **Total OPEB liability** | | | | | | | | |
| Service cost | $ 17 | 25 | 9 | 10 | 6 | 8 | 33 | * |
| Interest | 22 | 15 | 12 | 16 | 20 | 23 | 37 | * |
| Differences between expected and actual experience | 330 | (91) | (27) | -- | 46 | -- | (6) | * |
| Changes in assumptions and other inputs | (122) | -- | 106 | 22 | 81 | (465) | (14) | * |
| Benefit payments | (68) | (64) | (54) | (69) | (59) | (63) | (61) | * |
| Net change in total OPEB liability | 179 | (115) | 46 | (21) | 94 | (497) | (11) | * |
| Fund's total OPEB liability, beginning | 527 | 642 | 596 | 617 | 523 | 1,020 | 1,031 | * |
| Fund's total OPEB liability, ending | $ 706 | 527 | 642 | 596 | 617 | 523 | 1,020 | 1,031 |
| Fund's covered payroll | 9,366 | 8,754 | 7,948 | 7,719 | 7,080 | 6,782 | 6,909 | 5,773 |
| Fund's total OPEB liability as a percentage of its covered payroll | 5.6 % | 6.0 % | 8.1 % | 7.7 % | 8.7 % | 7.7 % | 14.8 % | 17.9 % |

**Hillsborough County has set aside $53,106,000 in the Self-Insurance Internal Service Fund for OPEB. This amount represents 43.73% of the County's total OPEB liability at September 30, 2023. However, since an irrevocable trust was not established, none of this $53,106,000 in cash and investment is considered to be "plan fiduciary net position." The Solid Waste Enterprise Fund's total OPEB liability represents 1.30% of the County's total OPEB liability.

Notes to schedule:

1. Since GASB Statement No. 75, "*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*", was implemented for fiscal year 2017, certain figures were not available prior to fiscal year 2017. See Note 9, *Other Postemployment Benefits (OPEB)*, for more OPEB information.
2. No assets are accumulated in a trust that meets the criteria in Paragraph 4 of GASB Statement No. 75.
3. Amounts are as of September 30 each year.
4. The discount rates used for fiscal years 2023, 2022, 2021, 2020, 2019, 2018, and 2017, respectively, are 4.09%, 4.02%, 2.26%, 2.21%, 2,80%, 3,80%, and 3.64%.

# HILLSBOROUGH COUNTY, FLORIDA
## Comparison of Actual Revenues and Expenses to Budget
## Solid Waste Enterprise Fund (Unaudited)
## Public Utilities Department
## For the fiscal year ended September 30, 2023
*(Amounts in thousands)*

| | Budget | Actual | Variance with Final Budget Positive (Negative) |
|---|---|---|---|
| **Operating Revenues** | | | |
| Charges for services | $ 193,091 | 205,349 | 12,258 |
| Total operating revenues | 193,091 | 205,349 | 12,258 |
| **Operating Expenses** | | | |
| Personnel services | 16,742 | 14,413 | 2,329 |
| Contractual services | 152,045 | 141,543 | 10,502 |
| Fleet services | 1,533 | 2,987 | (1,454) |
| Repairs and maintenance | 1,692 | 1,266 | 426 |
| Utilities | 1,919 | 2,719 | (800) |
| Supplies | 145 | 53 | 92 |
| Landfill closure and post closure care | 8,349 | 1,488 | 6,861 |
| Other operating expenses | 3,262 | 1,837 | 1,425 |
| Total operating expense before unbudgeted depreciation, amortization, pension and OPEB expense | 185,687 | 166,306 | 19,381 |
| **Operating income before unbudgeted depreciation, amortization, pension and OPEB expense** | $ 7,404 | 39,043 | 31,639 |
| Depreciation and amortization expense* | | 12,064 | |
| Pension expense (benefit) | | 1,873 | |
| OPEB expense (benefit) | | 24 | |
| **Operating income** | | $ 25,082 | |

*Pension, OPEB, depreciation and amortization expenses are not budgeted.

**EXHIBIT A**

# HILLSBOROUGH COUNTY, FLORIDA

**Solid Waste Resource Recovery Revenue Bonds**
**Series 2016A**
**Issued November 21, 2016**
**Debt Service Schedule (Unaudited)**
*(Amounts in thousands)*

| Fiscal Year | Principal | Interest | Total Requirement |
|---|---|---|---|
| 2024 | $ 6,300 | 2,596 | 8,896 |
| 2025 | 6,620 | 2,281 | 8,901 |
| 2026 | 6,785 | 1,950 | 8,735 |
| 2027 | -- | 1,611 | 1,611 |
| 2028 | -- | 1,611 | 1,611 |
| 2029 | -- | 1,611 | 1,611 |
| 2030 | 1,725 | 1,611 | 3,336 |
| 2031 | 7,395 | 1,525 | 8,920 |
| 2032 | 7,800 | 1,155 | 8,955 |
| 2033 | 8,340 | 766 | 9,106 |
| 2034 | 8,700 | 348 | 9,048 |
| | $ 53,665 | 17,065 | 70,730 |

**EXHIBIT B**

# HILLSBOROUGH COUNTY, FLORIDA

**Solid Waste Resource Recovery Revenue Bonds**
**Series 2016B**
**Issued November 21, 2016**
**Debt Service Schedule (Unaudited)**
*(Amounts in thousands)*

| Fiscal Year | Principal | Interest | Total Requirement |
|---|---|---|---|
| 2024 | $ -- | 1,261 | 1,261 |
| 2025 | -- | 1,261 | 1,261 |
| 2026 | -- | 1,261 | 1,261 |
| 2027 | 6,260 | 1,261 | 7,521 |
| 2028 | 6,580 | 948 | 7,528 |
| 2029 | 6,905 | 619 | 7,524 |
| 2030 | 5,475 | 274 | 5,749 |
| | $ 25,220 | 6,885 | 32,105 |

# Statistical Section Contents

*(Unaudited)*

## Financial Trends Information:

These schedules present comparative financial data over ten fiscal years, providing information to financial statement users concerning the Fund's financial management and performance.

Schedules:

- Components of Net Position
- Current Ratio
- Return on Capital Assets
- Accounts Receivable Turnover
- Statement of Activities
- Components of Charges for Services
- Components of Other Nonoperating Revenue

## Debt Capacity Information:

This schedule presents the Fund's comparative outstanding debt and debt service requirements to net position, charges for services, and rate covenant test requirements.

Schedule:

- Outstanding Debt Compared to Net Position

## General Operating Statistics:

- Number of full-time employees
- Tonnage buried in the landfill
- Tonnage incinerated
- Yard and wood-waste tonnage processed

# HILLSBOROUGH COUNTY, FLORIDA
## Solid Waste Enterprise Fund
## Public Utilities Department
## Financial Trend Schedules (Unaudited)
## Last Ten Fiscal Years
*(Amounts in thousands)*

**Components of Net Position:**

This schedule shows the Fund's changes in comparative net value (total assets plus deferred outflows of resources less total liabilities and less deferred inflows of resources = net position).

| | | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016* Restated | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Net investment in capital assets | $ | 62,378 | 58,993 | 71,862 | 61,279 | 45,634 | 43,217 | 49,482 | 55,721 | 63,181 | 71,035 |
| Restricted net position | | 5,081 | 5,081 | 5,712 | 9,354 | 25,782 | 17,616 | 19,083 | 12,298 | 11,739 | 11,644 |
| Unrestricted net position | | 170,363 | 140,690 | 110,362 | 116,390 | 109,942 | 107,709 | 98,292 | 89,770 | 83,782 | 77,031 |
| Total net position | $ | 237,822 | 204,764 | 187,936 | 187,023 | 181,358 | 168,542 | 166,857 | 157,789 | 158,702 | 159,710 |

*Restated for GASB Statement No. 75

**Current Ratio:**

This schedule shows the Fund's ability to pay its current liabilities such as accounts payable, accrued payroll liability, and short-term borrowing costs. The generally accepted current ratio standard is 2; whereby, current assets are twice as large as current liabilities.

| | | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Current assets | $ | 255,451 | 243,871 | 214,722 | 207,140 | 194,756 | 196,253 | 182,053 | 168,368 | 160,368 | 156,318 |
| Current liabilities | | 30,594 | 51,083 | 45,027 | 40,435 | 38,106 | 34,380 | 30,630 | 32,005 | 30,104 | 31,449 |
| Current ratio | | 8.3 | 4.8 | 4.8 | 5.1 | 5.1 | 5.7 | 5.9 | 5.3 | 5.3 | 5.0 |

# HILLSBOROUGH COUNTY, FLORIDA
## Solid Waste Enterprise Fund
## Public Utilities Department
## Financial Trend Schedules (Unaudited) (Continued)
## Last Ten Fiscal Years
*(Amounts in thousands)*

**Return on Capital Assets:**

Return on capital assets provides a means for evaluating management's effectiveness at generating an operating profit from the amounts invested in capital assets.

| | | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016* Restated | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Change in net position | $ | 33,058 | 16,828 | 913 | 5,665 | 12,816 | 1,685 | 9,068 | 139 | 3,664 | 6,664 |
| Average total capital assets | | 159,513 | 165,775 | 170,213 | 171,057 | 175,545 | 186,908 | 202,261 | 219,402 | 228,823 | 231,179 |
| Return on capital assets | | 20.72 % | 10.15 % | 0.54 % | 3.31 % | 7.30 % | 0.90 % | 4.48 % | 0.06 % | 1.60 % | 2.88 % |

*Restated for GASB Statement No. 75

**Accounts Receivable Turnover on a 365 collection-day basis:**

This schedule shows the average number of days required to collect charges for services billed to customers.

| | | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Charges for services | $ | 205,349 | 160,635 | 135,002 | 111,010 | 109,428 | 107,842 | 105,689 | 102,287 | 100,948 | 103,728 |
| Average accounts receivable | | 5,203 | 4,866 | 5,066 | 4,261 | 3,882 | 5,247 | 4,913 | 4,005 | 3,829 | 3,420 |
| Accounts receivable turnover days | | 9.2 | 11.1 | 13.7 | 14.0 | 12.9 | 17.8 | 17.0 | 14.3 | 13.8 | 12.0 |

# HILLSBOROUGH COUNTY, FLORIDA
## Solid Waste Enterprise Fund
## Public Utilities Department
## Financial Trend Schedules (Unaudited) (Continued)
## Last Ten Fiscal Years
*(Amounts in thousands)*

**Statement of Changes in Net position:**

This schedule presents annual operating data to assist the financial statement user evaluate the Fund's annual financial performance.

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016** Restated | 2015 | 2014* |
|---|---|---|---|---|---|---|---|---|---|---|
| **Operating revenues:** | | | | | | | | | | |
| Charges for services | $ 205,349 | 160,635 | 135,002 | 111,010 | 109,428 | 107,842 | 105,689 | 102,287 | 100,948 | 103,728 |
| **Operating expenses:** | | | | | | | | | | |
| Personnel services | 14,413 | 13,233 | 12,093 | 11,569 | 10,572 | 10,142 | 10,274 | 10,372 | 9,177 | 9,102 |
| Contractual services | 141,543 | 117,147 | 100,386 | 74,893 | 71,183 | 68,977 | 63,035 | 68,057 | 62,690 | 60,364 |
| Fleet services | 2,987 | 2,153 | 1,849 | 1,663 | 1,708 | 1,463 | 1,419 | 1,724 | 1,443 | 1,551 |
| Repairs and maintenance | 1,266 | 908 | 999 | 1,107 | 735 | 1,127 | 1,190 | 649 | 468 | 313 |
| Utilities | 2,719 | 1,364 | 1,515 | 1,511 | 2,575 | 1,775 | 1,700 | 1,442 | 1,437 | 1,233 |
| Supplies | 53 | 58 | 44 | 45 | 51 | 38 | 39 | 27 | 14 | 12 |
| Landfill closure and post closure care | 1,488 | (12,813) | 1,235 | 2,824 | 985 | 2,837 | 364 | (1,508) | 763 | 1,651 |
| Depreciation and amortization | 12,064 | 11,749 | 11,923 | 10,396 | 11,679 | 16,665 | 17,411 | 16,764 | 15,529 | 14,346 |
| Other operating expenses | 1,837 | 2,451 | 2,383 | 1,969 | 1,896 | 1,693 | 1,721 | 1,353 | 1,208 | 2,386 |
| Pension expense (benefit) | 1,873 | 102 | (666) | 1,128 | 911 | 399 | 480 | 302 | (243) | -- |
| OPEB expense (benefit) | 24 | (30) | (17) | (43) | (30) | (475) | (13) | -- | -- | -- |
| Total operating expenses | 180,267 | 136,322 | 131,744 | 107,062 | 102,265 | 104,641 | 97,620 | 99,182 | 92,486 | 90,958 |
| Operating income | 25,082 | 24,313 | 3,258 | 3,948 | 7,163 | 3,201 | 8,069 | 3,105 | 8,462 | 12,770 |
| Nonoperating revenues (expenses): | | | | | | | | | | |
| Interest revenue | 7,936 | 1,332 | 331 | 5,489 | 7,242 | 2,094 | 1,306 | 1,367 | 1,263 | 518 |
| Fair value change | 3,349 | (5,929) | -- | -- | -- | -- | -- | -- | -- | -- |
| Interest expense | (3,821) | (3,329) | (3,259) | (3,597) | (3,893) | (4,034) | (1,713) | (6,688) | (6,864) | (6,966) |
| Gain (loss) on disposal of capital assets | 41 | 147 | 143 | (988) | 45 | 42 | 471 | 407 | 234 | 149 |
| Other revenues | 471 | 294 | 440 | 813 | 2,259 | 382 | 935 | 1,948 | 569 | 193 |
| Total nonoperating revenues (expenses) | 7,976 | (7,485) | (2,345) | 1,717 | 5,653 | (1,516) | 999 | (2,966) | (4,798) | (6,106) |
| Change in net position | 33,058 | 16,828 | 913 | 5,665 | 12,816 | 1,685 | 9,068 | 139 | 3,664 | 6,664 |
| Net position, beginning of year | 204,764 | 187,936 | 187,023 | 181,358 | 168,542 | 166,857 | 157,789 | 158,702 | 159,710 | 153,046 |
| Restatement for GASB 68 implementation | -- | -- | -- | -- | -- | -- | -- | -- | (4,672) | -- |
| Restatement for GASB 75 implementation | -- | -- | -- | -- | -- | -- | -- | (1,052) | -- | -- |
| Net position, beginning of year, as restated | 204,764 | 187,936 | 187,023 | 181,358 | 168,542 | 166,857 | 157,789 | 157,650 | 155,038 | 153,046 |
| Net position, end of year | $ 237,822 | 204,764 | 187,936 | 187,023 | 181,358 | 168,542 | 166,857 | 157,789 | 158,702 | 159,710 |

* Fiscal year 2014 and prior were not restated for implementation of GASB Statements No. 68 and No. 71
** Restated for GASB Statement No. 75

# HILLSBOROUGH COUNTY, FLORIDA
## Solid Waste Enterprise Fund
## Public Utilities Department
## Financial Trend Schedules (Unaudited) (Continued)
## Last Ten Fiscal Years
*(Amounts in thousands)*

**Charges for Services - Components:**

This schedule identifies the principal components of charges for services.

| | 2023 | | 2022 | | 2021 | | 2020 | | 2019 | | 2018 | | 2017 | | 2016 | | 2015 | | 2014 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Residential disposal assessments | $ 34,953 | 17.0 % | 34,516 | 21.5 | 31,153 | 23.1 | 29,956 | 27.0 | 28,301 | 25.9 | 27,564 | 25.6 | 25,393 | 24.0 | 24,955 | 24.4 | 24,619 | 24.4 | 24,394 | 23.5 |
| Residential collections assessments | 90,046 | 43.9 | 66,576 | 41.4 | 50,387 | 37.3 | 37,866 | 34.1 | 37,173 | 34.0 | 36,224 | 33.6 | 35,581 | 33.7 | 34,851 | 34.1 | 34,316 | 34.0 | 34,162 | 32.9 |
| Franchise haulers | 44,004 | 21.4 | 28,242 | 17.6 | 23,271 | 17.2 | 21,196 | 19.1 | 20,517 | 18.7 | 19,694 | 18.3 | 19,254 | 18.2 | 19,214 | 18.8 | 18,099 | 17.9 | 17,702 | 17.1 |
| Electricity generation revenues | 24,629 | 12.0 | 17,171 | 10.7 | 17,365 | 12.9 | 13,428 | 12.1 | 13,814 | 12.6 | 13,677 | 12.7 | 16,618 | 15.7 | 17,181 | 16.8 | 17,223 | 17.0 | 15,953 | 15.4 |
| Municipal disposal fees | 5,355 | 2.6 | 4,887 | 3.0 | 4,859 | 3.6 | 2,041 | 1.8 | 2,675 | 2.4 | 2,256 | 2.1 | 1,754 | 1.7 | 1,480 | 1.4 | 1,903 | 1.9 | 1,946 | 1.9 |
| Commercial disposal fees | 4,553 | 2.2 | 6,902 | 4.3 | 5,184 | 3.8 | 5,209 | 4.7 | 4,852 | 4.4 | 4,421 | 4.1 | 5,081 | 4.8 | 3,596 | 3.5 | 2,585 | 2.6 | 4,255 | 4.1 |
| Recycle revenues | 1,387 | 0.7 | 1,685 | 1.0 | 1,988 | 1.5 | 1,041 | 0.9 | 1,826 | 1.7 | 1,913 | 1.8 | 1,492 | 1.4 | 501 | 0.5 | 1,945 | 1.9 | 3,657 | 3.5 |
| General operating revenues | 422 | 0.2 | 656 | 0.4 | 795 | 0.6 | 272 | 0.2 | 270 | 0.2 | 2,093 | 1.8 | 516 | 0.5 | 509 | 0.5 | 258 | 0.3 | 1,659 | 1.6 |
| Charges for services | $ 205,349 | 100.0 % | 160,635 | 99.9 | 135,002 | 100.0 | 111,009 | 99.9 | 109,428 | 99.9 | 107,842 | 100.0 | 105,689 | 100.0 | 102,287 | 100.0 | 100,948 | 100.0 | 103,728 | 100.0 |

**Other Non-Operating Revenue Components:**

This schedule identifies the principal components of other nonoperating revenues.

| | 2023 | | 2022 | | 2021 | | 2020 | | 2019 | | 2018 | | 2017 | | 2016 | | 2015 | | 2014 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Investment earnings | $ 7,936 | 99.5 % | 1,332 | 319.6 | 331 | (14.1) | 5,489 | 319.7 | 7,242 | 130.8 | 2,094 | (138.1) | 1,306 | 130.7 | 1,367 | (46.1) | 1,263 | 68.9 | 518 | 60.2 |
| Fair value change | 3,349 | 42.0 | (5,929) | 79.2 | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- | -- |
| Other revenues (expenses) | (3,309) | -- | (2,888) | (164.1) | (2,676) | 114.1 | (3,772) | (219.6) | (1,589) | (28.1) | (3,610) | 238.1 | (307) | (30.8) | (4,333) | 146.1 | 569 | 31.1 | 342 | 39.8 |
| Total other non-operating revenues | $ 7,976 | 141.5 % | (7,485) | 234.7 | (2,345) | 100.0 | 1,717 | 100.1 | 5,653 | 102.7 | (1,516) | 100.0 | 999 | 99.9 | (2,966) | 100.0 | 1,832 | 100.0 | 860 | 100.0 |

# HILLSBOROUGH COUNTY, FLORIDA
## Solid Waste Enterprise Fund
## Public Utilities Department
## Debt Capacity Information (Unaudited)
## Last Ten Fiscal Years
*(Amounts in thousands)*

**Outstanding Debt Compared to Net Position:**

This schedule shows the outstanding debt as a percentage of net position.

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016** Restated | 2015 | 2014* |
|---|---|---|---|---|---|---|---|---|---|---|
| Notes and bonds outstanding | $ 108,909 | 116,285 | 112,060 | 108,440 | 125,845 | 135,152 | 144,205 | 151,735 | 158,709 | 165,425 |
| Net position | 237,822 | 204,764 | 187,936 | 187,023 | 181,358 | 168,542 | 168,465 | 157,789 | 159,200 | 159,710 |
| Percentage | 45.8 % | 56.8 % | 59.6 % | 58.0 % | 69.4 % | 80.2 % | 85.6 % | 96.2 % | 99.7 % | 103.6 % |

* Fiscal year 2014 and prior were not restated for implementation of GASB Statements No. 68 and No. 71
** Restated for GASB Statement No. 75

# HILLSBOROUGH COUNTY, FLORIDA
## Solid Waste Enterprise Fund
## Public Utilities Department
## General Operating Statistics (Unaudited)
## Last Ten Fiscal Years

This schedule shows various general operating statistics.

| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
|---|---|---|---|---|---|---|---|---|---|---|
| Number of full time employees | 178 | 170 | 161 | 149 | 124 | 125 | 129 | 128 | 109 | 109 |
| Solid Waste tonnage buried in the landfill | 430,633 | 451,846 | 449,898 | 397,516 | 369,242 | 330,904 | 306,773 | 213,905 | 214,711 | 223,285 |
| Solid Waste tonnage incinerated | 511,484 | 513,194 | 427,720 | 520,116 | 522,364 | 534,016 | 570,573 | 577,662 | 574,644 | 594,619 |
| Yard and wood waste tonnage processed | 98,138 | 113,049 | 138,808 | 140,927 | 117,432 | 125,197 | 118,385 | 115,615 | 118,401 | 116,196 |

Sources:
Solid Waste Enterprise Fund Annual Operating Report

Hillsborough County Florida

Public Utilities

Brandon Support Operations Complex
332 N. Falkenburg Road
Tampa, Florida 33619
(813) 272-5680
HCFLGov.net/SolidWaste