



**York County Solid Waste and  
Refuse Authority**

**Financial Statements and  
Supplementary Information**

December 31, 2025 and 2024



# **York County Solid Waste and Refuse Authority**

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December 31, 2025 and 2024

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## Independent Auditor's Report

To the Board of Directors  
York County Solid Waste and  
Refuse Authority  
York, Pennsylvania

### Opinion

We have audited the financial statements of York County Solid Waste and Refuse Authority (the Authority) as of and for the years ended December 31, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the Authority as of December 31, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Authority's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 10 be presented to supplement the basic financial statements. Such information is the responsibility of management, and although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Authority's basic financial statements. The accompanying supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the accompanying supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

RKL LLP

March 18, 2026  
York, Pennsylvania

## Management's Discussion and Analysis

This section of the Authority's annual financial report presents our analysis of the Authority's financial performance during the years ended on December 31, 2025 and 2024. Please read it in conjunction with the financial statements, which follow this section.

### FINANCIAL HIGHLIGHTS

- The Authority's net position increased by \$9.2 million or a 4.7 percent change.
- During the year, the Authority's revenue from waste disposal fees increased by \$0.4 million, or a 1.2 percent change, while other income increased by \$1.1 million, or a 30.6 percent change.
- Electric sales increased by \$3.8 million, or a 25.0 percent change.

### REQUIRED FINANCIAL STATEMENTS

The financial statements of the Authority report information about the Authority using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The statement of net position includes all of the Authority's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and the obligations to Authority creditors (liabilities). It also provides the basis for assessing the liquidity and financial flexibility of the Authority. All of the current year's revenue and expenses are accounted for in the statement of revenue, expenses, and changes in net position. This statement measures the success of the Authority's operations over the past years and can be used to determine whether the Authority has successfully recovered all its costs through its user fees and other charges. It also establishes the Authority's credit worthiness. The final required financial statement is the statement of cash flows. The primary purpose of this statement is to provide information about the Authority's cash receipts and cash payments during the reporting period. This statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing, and financing activities. It also provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

### FINANCIAL ANALYSIS OF THE AUTHORITY

Our analysis of the Authority begins on the following pages. The statement of net position and the statement of revenue, expenses, and changes in net position report the net position of the Authority and changes in them. You can think of the Authority's net position, the difference between assets and liabilities, as one way to measure financial health or financial position. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, long-term contracts, population growth, and new or changed government legislation.

## NET POSITION

To begin our analysis, a summary of the Authority's statement of net position is presented in Table A-1:

**TABLE A-1**  
**Condensed Statement of Net Position**  
**(In Millions of Dollars)**

	<u>2025</u>	<u>2024</u>	Dollar Change	Annual Percent Change
Current Assets	\$ 111.6	\$ 99.0	\$ 12.6	12.7 %
Capital Assets, Net	84.2	89.4	(5.2)	(5.8)
Other Assets	13.0	12.5	0.5	4.0
<b>Total Assets</b>	<u>208.8</u>	<u>200.9</u>	<u>7.9</u>	3.9
Current Liabilities	4.0	4.6	(0.6)	(13.0)
Long-Term Debt	1.5	2.2	(0.7)	(31.8)
<b>Total Liabilities</b>	<u>5.5</u>	<u>6.8</u>	<u>(1.3)</u>	(19.1)
<b>Total Net Position</b>	<u>\$ 203.3</u>	<u>\$ 194.1</u>	<u>\$ 9.2</u>	4.7 %

As can be seen from the table above, current assets increased by \$12.6 million and capital assets decreased by \$5.2 million. The increase in current assets is primarily due to an increase in the general reserve trust fund resulting from operations. Current liabilities decreased due to a decrease in accounts payable.

**TABLE A-2**  
**Condensed Statement of Net Position**  
**(In Millions of Dollars)**

	<u>2024</u>	<u>2023</u>	Dollar Change	Annual Percent Change
Current Assets	\$ 99.0	\$ 94.2	\$ 4.8	5.1 %
Capital Assets, Net	89.4	91.5	(2.1)	(2.3)
Other Assets	12.5	14.3	(1.8)	(12.6)
<b>Total Assets</b>	<u>200.9</u>	<u>200.0</u>	<u>0.9</u>	0.5
Current Liabilities	4.6	4.3	0.3	7.0
Long-Term Debt	2.2	2.9	(0.7)	(24.1)
Deferred Inflows of Resources	0.0	2.2	(2.2)	(100.0)
<b>Total Liabilities and Deferred Inflows of Resources</b>	<u>6.8</u>	<u>9.4</u>	<u>(2.6)</u>	(27.7)
<b>Total Net Position</b>	<u>\$ 194.1</u>	<u>\$ 190.6</u>	<u>\$ 3.5</u>	1.8 %

As can be seen from the table above, current assets increased by \$4.8 million and capital assets decreased by \$2.1 million. The increase in current assets is primarily due to an increase in the general reserve trust fund resulting from operations. Current liabilities increased due to an increase in accounts payable.

**TABLE A-3**  
**Condensed Statement of Revenue, Expenses, and Changes in Net Position**  
**(In Millions of Dollars)**

	<u>2025</u>	<u>2024</u>	<u>Dollar Change</u>	<u>Annual Percent Change</u>
Waste Disposal Fees	\$ 34.3	\$ 33.9	\$ 0.4	1.2 %
Electric Sales	19.0	15.2	3.8	25.0
Metal Income	2.1	2.0	0.1	5.0
Other Income	4.7	3.6	1.1	30.6
<b>Total Revenue</b>	<u>60.1</u>	<u>54.7</u>	<u>5.4</u>	9.9
Operating Expenses	45.9	46.4	(0.5)	(1.1)
Depreciation	5.0	4.8	0.2	4.2
<b>Total Expenses</b>	<u>50.9</u>	<u>51.2</u>	<u>(0.3)</u>	(0.6)
<b>Changes in Net Position</b>	<u>\$ 9.2</u>	<u>\$ 3.5</u>	<u>\$ 5.7</u>	162.9 %

While the statement of net position shows the Authority's changes in financial position, the statement of revenue, expenses, and changes in net position provides answers as to the nature and source of these changes. As seen in Table A-3, waste disposal fees increased by \$0.4 million to \$34.3 million in 2025, up from \$33.9 million in 2024. Electric sales increased by \$3.8 million to \$19.0 million in 2025, up from \$15.2 million in 2024 due to higher energy prices. Other income increased in 2025 primarily due to the positive market performance of investments. Operating expenses decreased by \$0.5 million in 2025, primarily as a result of a decrease in Reworld Energy LLC (Reworld) excess processing fees.

**TABLE A-4**  
**Condensed Statement of Revenue, Expenses, and Changes in Net Position**  
(In Millions of Dollars)

	<u>2024</u>	<u>2023</u>	Dollar Change	Annual Percent Change
Waste Disposal Fees	\$ 33.9	\$ 31.6	\$ 2.3	7.3 %
Electric Sales	15.2	16.1	(0.9)	(5.6)
Metal Income	2.0	2.1	(0.1)	(4.8)
Other Income	<u>3.6</u>	<u>4.6</u>	<u>(1.0)</u>	<u>(21.7)</u>
<b>Total Revenue</b>	<u>54.7</u>	<u>54.4</u>	<u>0.3</u>	0.6
Operating Expenses	46.4	44.8	1.6	3.6
Depreciation	4.8	4.8	0.0	0.0
Interest Expense	<u>0.0</u>	<u>0.1</u>	<u>(0.1)</u>	<u>(100.0)</u>
<b>Total Expenses</b>	<u>51.2</u>	<u>49.7</u>	<u>1.5</u>	3.0
<b>Changes in Net Position</b>	<u>\$ 3.5</u>	<u>\$ 4.7</u>	<u>\$ (1.2)</u>	<u>(25.5) %</u>

As seen in Table A-4, waste disposal fees increased by \$2.3 million to \$33.9 million in 2024, up from \$31.6 million in 2023. Electric sales decreased by \$0.9 million to \$15.2 million in 2024, down from \$16.1 million in 2023 due to lower energy prices. Metal income decreased to \$2.0 million in 2024 due to declining prices in the metal markets. Other income decreased in 2024 primarily due to a decline in market performance of investments. Operating expenses increased by \$1.6 million in 2024, primarily as a result of Reworld operations and maintenance fees and an increase in ash recycling fees.

#### **CAPITAL ASSETS**

At the end of 2025 and 2024, the Authority had invested \$243.6 million and \$245.1 million, respectively, in a broad range of infrastructure including the York County Resource Recovery Center (RRC), Management Center, Ash Recycling and Processing Facility, Recyclable materials drop-off center, landfill liners and system improvements, truck storage building, vehicles and equipment. During the years 2025 and 2024, the Authority made capital improvements totaling \$2.0 million and \$2.7 million, respectively, primarily in plant life extension projects, RRC site improvements, ash recycling and processing facility improvements, and the transfer station. More information on the Authority's capital assets is presented in Note 7 of the financial statements.

## LONG-TERM DEBT

As of December 31, 2025, the Authority had \$2.2 million in long- and short-term debt down from \$2.9 million in 2024 for a decrease of \$0.7 million or 24.1%, which was the amount of the 2025 principal payments on outstanding debt. The December 31, 2024 balance of \$2.9 million was down from \$3.6 million in 2023 for a decrease of \$0.7 million, or 19.4%, which was the amount of the 2024 principal payments on outstanding debt. More detailed information about the Authority's long-term liabilities is presented in Note 8 of the financial statements.

**TABLE A-5**  
**Debt Coverage Ratio**  
**(In Millions of Dollars)**

	<u>2025</u>	<u>2024</u>	<u>Annual Percent Change</u>
Waste Disposal Fees	\$ 34.3	\$ 33.9	1.2 %
Electric Sales	19.0	15.2	25.0
Metal Income	2.1	2.0	5.0
<b>Total Operating Revenue</b>	<b>55.4</b>	51.1	8.4
<b>Total Operating Expenses</b>	<b>45.9</b>	46.4	(1.1)
<b>Operating Surplus</b>	<b>9.5</b>	4.7	102.1
Depreciation	(5.0)	(4.8)	4.2
Other Income, Net	4.7	3.6	30.6
<b>Net Surplus</b>	<b>\$ 9.2</b>	<b>\$ 3.5</b>	162.9
<b>Cash Flow Available for Debt Service (1)</b>	<b>\$ 14.2</b>	\$ 8.3	71.1
<b>Annual Debt Service</b>	<b>\$ 0.8</b>	\$ 0.8	0.0
<b>Debt Service Coverage Ratio (2)</b>	<b>17.8</b>	10.4	71.2

(1) Cash Flow Available for Debt Service = Current Period Surplus + Interest + Depreciation

(2) Debt Service Coverage Ratio = Cash Flow Available for Debt Service / Annual Debt Service

**TABLE A-6**  
**Debt Coverage Ratio**  
**(In Millions of Dollars)**

	<u>2024</u>	<u>2023</u>	<u>Annual Percent Change</u>
Waste Disposal Fees	\$ 33.9	\$ 31.6	7.3 %
Electric Sales	15.2	16.1	(5.6)
Metal Income	2.0	2.1	(4.8)
<b>Total Operating Revenue</b>	51.1	49.8	2.6
<b>Total Operating Expenses</b>	46.4	44.8	3.6
<b>Operating Surplus</b>	4.7	5.0	(6.0)
Depreciation	(4.8)	(4.8)	0.0
Interest Expense	0.0	(0.1)	(100.0)
Other Income, Net	3.6	4.6	(21.7)
<b>Net Surplus</b>	<u>\$ 3.5</u>	<u>\$ 4.7</u>	(25.5)
<b>Cash Flow Available for Debt Service (1)</b>	\$ 8.3	\$ 9.6	(13.5)
<b>Annual Debt Service</b>	\$ 0.8	\$ 0.8	0.0
<b>Debt Service Coverage Ratio (2)</b>	10.4	12.0	(13.3)

(1) Cash Flow Available for Debt Service = Current Period Surplus + Interest + Depreciation

(2) Debt Service Coverage Ratio = Cash Flow Available for Debt Service / Annual Debt Service

## **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

The Authority and management considered many factors when setting the fiscal year 2026 budget and tip fees. The 2026 budget was prepared with sensitivity to the economy, and in comparison with other resource recovery centers in the region. It recognizes the Authority's basic premise of developing the York County solid waste system to provide a solid waste management program that is safe, efficient and economical which is affirmed by the Solid Waste Management Plan. The budget is based on processing 425,000 tons, which is the anticipated throughput. The 2026 budget established the 2026 York County tipping fee at \$85.00 per ton.

## **CONTACTING THE AUTHORITY'S ASSISTANT EXECUTIVE DIRECTOR**

This financial report is designed to provide our citizens, customers, investors, and creditors with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Authority's Assistant Executive Director, 2700 Blackbridge Road, York, PA 17406.

David E. Vollero  
Executive Director

Jerry C. Grim  
Assistant Executive Director

# York County Solid Waste and Refuse Authority

## Statement of Net Position

	December 31,	
	2025	2024
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 9,781,670	\$ 9,855,307
Short-term investments	2,780,199	2,399,190
General reserve escrow funds	93,145,972	81,373,063
Accounts receivable	5,134,441	4,691,837
Accrued interest receivable	378,247	356,106
Prepaid expenses	382,597	376,197
<b>Total Current Assets</b>	<b>111,603,126</b>	<b>99,051,700</b>
<b>Capital Assets, Net</b>	<b>84,194,819</b>	<b>89,408,744</b>
<b>Other Assets</b>		
Closure funds	8,643,920	8,285,636
Self-insurance trust fund	3,380,325	3,243,687
Landfill trust fund	987,857	946,782
<b>Total Other Assets</b>	<b>13,012,102</b>	<b>12,476,105</b>
<b>Total Assets</b>	<b>\$ 208,810,047</b>	<b>\$ 200,936,549</b>

# York County Solid Waste and Refuse Authority

## Statement of Net Position (continued)

	December 31,	
	2025	2024
<b>Liabilities and Net Position</b>		
<b>Current Liabilities</b>		
Current maturities of long-term debt	\$ 724,000	\$ 715,000
Accounts payable	2,604,945	3,291,551
Accrued payroll and benefits	237,329	216,361
Accrued compensated absences	404,711	382,021
Payroll taxes withheld and accrued	2,228	1,507
Accrued interest payable	13,108	17,369
Deferred rent income	3,053	2,928
<b>Total Current Liabilities</b>	<b>3,989,374</b>	<b>4,626,737</b>
<b>Long-Term Debt</b>	<b>1,476,000</b>	<b>2,200,000</b>
<b>Total Liabilities</b>	<b>5,465,374</b>	<b>6,826,737</b>
<b>Net Position</b>		
Net investment in capital assets	81,826,249	85,799,146
Restricted for closure funds	8,643,920	8,285,636
Restricted for self-insurance trust fund	3,380,325	3,243,687
Restricted for landfill trust fund	987,857	946,782
Unrestricted	108,506,322	95,834,561
<b>Total Net Position</b>	<b>203,344,673</b>	<b>194,109,812</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 208,810,047</b>	<b>\$ 200,936,549</b>

## York County Solid Waste and Refuse Authority

### Statement of Revenue, Expenses, and Changes in Net Position

	Years Ended December 31,			
	2025		2024	
<b>Operating Revenue</b>				
Waste disposal fees	\$ 34,277,822	61.91 %	\$ 33,918,385	66.39 %
Electric sales	18,982,823	34.29	15,157,102	29.66
Metal income	2,106,690	3.80	2,019,432	3.95
<b>Total Operating Revenue</b>	<b>55,367,335</b>	<b>100.00</b>	51,094,919	100.00
<b>Operating Expenses</b>	<b>45,911,570</b>	<b>82.92</b>	46,392,899	90.80
<b>Operating Income before Depreciation</b>	<b>9,455,765</b>	<b>17.08</b>	4,702,020	9.20
<b>Depreciation</b>	<b>4,954,882</b>	<b>8.95</b>	4,755,840	9.31
<b>Operating Income (Loss)</b>	<b>4,500,883</b>	<b>8.13</b>	(53,820)	(0.11)
<b>Other Income (Expense)</b>				
Other income	4,767,638	8.61	3,569,601	6.99
Interest expense	(33,660)	(0.06)	(42,734)	(0.08)
<b>Other Income, Net</b>	<b>4,733,978</b>	<b>8.55</b>	3,526,867	6.91
<b>Changes in Net Position</b>	<b>9,234,861</b>	<b>16.68 %</b>	3,473,047	6.80 %
<b>Net Position at Beginning of Year</b>	<b>194,109,812</b>		190,636,765	
<b>Net Position at End of Year</b>	<b>\$ 203,344,673</b>		\$ 194,109,812	

# York County Solid Waste and Refuse Authority

## Statement of Cash Flows

	Years Ended December 31,	
	2025	2024
<b>Cash Flows from Operating Activities</b>		
Cash received from grants and customers	\$ 55,183,411	\$ 51,008,148
Cash paid to suppliers and employees	<u>(46,034,169)</u>	<u>(46,810,250)</u>
<b>Net Cash Provided by Operating Activities</b>	<u>9,149,242</u>	<u>4,197,898</u>
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	(11,578,805)	(10,601,405)
Proceeds from sale of investments	2,029,184	27,836
Investment income received	<u>3,590,824</u>	<u>3,160,984</u>
<b>Net Cash Used in Investing Activities</b>	<u>(5,958,797)</u>	<u>(7,412,585)</u>
<b>Cash Flows from Capital and Related Financing Activities</b>		
Capital expenditures	(2,511,161)	(2,037,183)
Principal repayments of long-term debt	(715,000)	(705,000)
Interest received - leases	-	18,590
Interest paid	<u>(37,921)</u>	<u>(46,934)</u>
<b>Net Cash Used in Capital and Related Financing Activities</b>	<u>(3,264,082)</u>	<u>(2,770,527)</u>
<b>Net Decrease in Cash and Cash Equivalents</b>	<u>(73,637)</u>	<u>(5,985,214)</u>
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>9,855,307</u>	<u>15,840,521</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 9,781,670</u>	<u>\$ 9,855,307</u>

## York County Solid Waste and Refuse Authority

### Statement of Cash Flows (continued)

	Years Ended December 31,	
	2025	2024
<b>Cash Flows from Operating Activities</b>		
Operating income (loss)	\$ 4,500,883	\$ (53,820)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities		
Depreciation	4,954,882	4,755,840
(Increase) decrease in assets		
Accounts receivable	(442,604)	(366,740)
Prepaid expenses	(6,400)	(131,526)
Leases receivable	-	18,665
Increase (decrease) in liabilities		
Accounts payable	(160,578)	(380,062)
Accrued payroll and benefits	20,968	(35,682)
Accrued compensated absences	22,690	134,750
Payroll taxes withheld and accrued	721	(4,831)
Deferred rent income	125	148
Increase (decrease) in deferred inflows of resources		
Leases	-	(25,769)
Other receipts	258,555	286,925
<b>Net Cash Provided by Operating Activities</b>	<b>\$ 9,149,242</b>	<b>\$ 4,197,898</b>

### Supplementary Schedule of Noncash Investing and Financing Activities

#### In 2025

Accounts payable includes \$168,570 for capital expenditures.

#### In 2024

Accounts payable includes \$694,598 for capital expenditures.

The Authority and an unrelated third-party mutually agreed to terminate their lease agreement. As a result, the leases receivable decreased by \$2,255,455 and deferred inflows of resources related to the lease decreased by \$2,158,180, for a net loss on the termination of \$97,275.

## **York County Solid Waste and Refuse Authority**

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Notes to Financial Statements

December 31, 2025 and 2024

### **Note 1 - Nature of Operations**

York County Solid Waste and Refuse Authority (the Authority) was created in 1971 under the Municipal Authorities Act and is responsible for facilitating the responsible management of York County's municipal solid waste. This mission is achieved through the use of an integrated system of waste management that incorporates waste reduction, reuse, recycling, educational outreach, and waste-to-energy technology. This integrated system is implemented through the use of a county-wide 25-year waste management plan, which was last updated in 2014.

The Authority facilities include the York County Resource Recovery Center (RRC), the Ash Recycling and Processing Facility, the Yard Waste Transfer Facility, a Public Recycling Drop-off Center, a Public Education Center, and the now closed York County Sanitary Landfill, which hosts a community recreation complex and wildlife habitat on 200-plus acres of its 308 acre site.

County-wide programs include efforts such as education and outreach programs conducted on- and off-site, electronics recycling, household hazardous waste collection, and Christmas tree recycling.

The Authority operates separately from the County of York as an independent, self-funded entity. The Authority's operations and programs are supported by its three revenue streams, which include the "tip fee" (cost for disposal of waste) at the RRC, the sale of electricity (considered a source of "tier two alternative energy in PA") derived from processing the waste at the RRC, and the sale of metals recovered from the waste stream.

### **Note 2 - Summary of Significant Accounting Policies**

The accounting policies of the Authority conform to accounting principles generally accepted in the United States of America as applicable to local governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

#### **The Financial Reporting Entity**

Accounting principles generally accepted in the United States of America require that the reporting entity consists of the primary government and organizations for which the primary government is financially accountable. In addition, the primary government may determine through the exercise of management's professional judgment that the inclusion of an organization that does not meet the financial accountability criteria is necessary in order to prevent the reporting entity's financial statements from being misleading. In such instances, that organization should be included as a component unit if the nature and significance of their relationship with the primary government or other component units are such that exclusion from the financial reporting entity would render the financial reporting entity's financial statements incomplete or misleading. In evaluating how to define the reporting entity, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made based upon the above criteria. Based on the above criteria, the Authority has determined there are no agencies or entities which should be presented with the Authority as component units.

The Authority is a component unit of the County of York, Pennsylvania.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The financial statements are reported using the economic resources measurement focus, the accrual basis of accounting, and utilize the proprietary fund type. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Operating revenues and expenses are distinguished from nonoperating items in the statement of revenue, expenses, and changes in net position. Operating revenues and expenses generally result from providing services in connection with the Authority's principal ongoing operations. The principal operating revenues of the Authority are charges to customers for waste disposal services and electricity sales. Operating expenses include the cost of providing services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. The principal nonoperating revenues of the Authority are investment and other income. The principal nonoperating expense of the Authority is interest expense.

**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 and liabilities, and the disclosure of contingent assets and liabilities, if any, at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, the Authority considers all cash accounts that are not subject to withdrawal restrictions, penalties, or otherwise restricted, and all highly-liquid debt investments purchased with a maturity of three months or less, to be cash and cash equivalents, except as included with restricted investment funds.

**Accounts Receivable**

Accounts receivable are stated at outstanding balances. The Authority considers accounts receivable to be fully collectible. If collection becomes doubtful, an allowance for doubtful accounts will be established, or the accounts will be charged to income when that determination is made by management. Unpaid balances remaining after the stated payment terms are considered past due. Recoveries of previously charged off accounts are recorded when received. As of December 31, 2025 and 2024, management of the Authority determined that no allowance for uncollectible accounts was necessary.

**Leases Receivable**

Leases receivable are stated at the present value of the lease payments expected to be received during the lease term and are discounted using the interest rate the lessor charges the lessee. The amortization of the discount on the leases receivable is reported as interest revenue. Any payments received are first allocated to accrued interest receivable and then to leases receivable.

## **York County Solid Waste and Refuse Authority**

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Notes to Financial Statements

December 31, 2025 and 2024

### **Note 2 - Summary of Significant Accounting Policies (continued)**

#### **Investments**

The Board of Directors is permitted to invest the Authority's funds as defined by state law in the following authorized types of investments:

- A. U.S. Treasury bills
- B. Short-term obligations of the U.S. Government and Federal agencies
- C. Insured savings and checking accounts and certificates of deposit in banks, savings and loan associations, and credit unions
- D. General obligation bonds of the federal government, the Commonwealth of Pennsylvania or any state agency, or of any Pennsylvania political subdivision
- E. Bills of exchange or time drafts drawn and accepted by a commercial bank not to exceed 180 days
- F. Short-term, unsecured obligations of corporations or other business entities organized in accordance with federal or state law
- G. Shares of mutual funds whose investments are restricted to the above categories

When making investments, the Board of Directors can combine monies from more than one fund under the Authority's control for the purchase of a single investment and join with other political subdivisions and municipal authorities in the purchase of a single investment.

Investments are stated at fair value.

#### **Capital Assets**

Capital assets are stated at cost and are depreciated on the straight-line method over the estimated average useful lives of the assets as follows: buildings and improvements, five to twenty-five years; heavy equipment, five years; miscellaneous equipment, five years; office furniture and equipment, five years; and landfill liners and system improvements, five to twenty-five years.

Maintenance, repairs, and minor renewals which do not significantly improve or extend the lives of the respective assets are charged against operations when incurred.

Additions, improvements, and major renewals are capitalized.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Long-Lived Assets**

Long-lived assets are reviewed for impairment whenever events or circumstances indicate that the carrying amount of the assets may not be recoverable. An asset is considered to be impaired when the undiscounted estimated net cash flows to be generated by the asset are less than the carrying amount. The impairment recognized is the amount by which the carrying amount exceeds the fair value of the impaired asset. Fair value estimates are based on assumptions concerning the amount and timing of estimated future cash flows and discount rates reflecting varying degrees of perceived risk. Management has concluded that no impairment adjustments were required during the years ended December 31, 2025 and 2024.

**Compensated Absences**

The Authority accrues a liability for compensated absences for unused vacation and sick time that is expected to be used by employees in a future period. The liability is measured at the estimated future cost of the absences based on employees' current wage rates and amount of unused hours that are more likely than not to be used by employees.

**Landfill Postclosure Care Costs**

Postclosure care costs are expensed as incurred.

**Deferred Outflows of Resources and Deferred Inflows of Resources**

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflow of resources and deferred inflows of resources. These separate financial statement elements represent an acquisition or a consumption of net position that applies to a future period. A deferred outflow of resources represents a consumption of net position that applies to a future period not recognized as an outflow of resources until that future period. A deferred inflow of resources represents an acquisition of net position that applies to a future period not recognized as an inflow of resources until that future period.

**Net Position**

Net position is classified into three categories, as applicable, as follows:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and debt incurred for the acquisition of capital assets.

Restricted net position are amounts that have externally imposed restrictions on how the funds can be spent.

Unrestricted net position are amounts that do not meet the definitions of "invested in capital assets" or "restricted" and are available for Authority operations.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use the restricted resources first.

**Note 2 - Summary of Significant Accounting Policies (continued)**

**Change in Accounting Principles**

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This statement provides users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. This statement is effective for periods beginning after June 15, 2024. The Authority adopted this statement during the year ended December 31, 2025, but it did not have a significant impact on the financial statements.

**Recent Accounting Pronouncements**

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement expands on current requirements on financial reporting, including the management's discussion and analysis, unusual or infrequent items, presentation of the proprietary fund statement of revenue, expense, and changes in fund net position, major component unit information, and budgetary comparison information. This statement is effective for periods beginning after June 15, 2025. The Authority is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. State and local governments are required to provide detailed information about capital assets in notes to financial statements. Statement No. 34, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments*, requires certain information regarding capital assets to be presented by major class. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. This statement is effective for periods beginning after June 15, 2025. The Authority is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

In December 2025, the GASB issued Statement No. 105, *Subsequent Events*. The primary objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users. The requirements of this statement will improve financial reporting related to subsequent events by (1) clarifying the subsequent events time frame and the subsequent events that constitute recognized and nonrecognized events and (2) specifying the information items that are required to be disclosed about subsequent events. This statement is effective for periods beginning after June 15, 2026. The Authority is currently evaluating the impact of the pending adoption of the new standard on the financial statements.

## **York County Solid Waste and Refuse Authority**

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### Notes to Financial Statements

December 31, 2025 and 2024

#### **Note 3 - Tax-Exempt Status**

The Authority was created under the Municipal Authorities Act of 1935 and 1945. Under this Act, the Authority is excluded from taxes on exempt function income. Therefore, no provision is made for taxes on income.

#### **Note 4 - Fair Value Measurement**

The Authority categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy sets out a fair value hierarchy with the highest priority being quoted prices in active markets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurement). Accordingly, the degree of judgment exercised in determining fair value is greatest for instruments categorized in Level 3. The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the fair value hierarchy classification is determined based on the lowest level input that is significant to the fair value measurement in its entirety. Fair value measurements will be classified and disclosed in one of the following three categories:

Level 1 - Quoted market prices in active markets for identical assets or liabilities.

Level 2 - Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3 - Unobservable inputs that are not corroborated by market data.

The following valuation techniques were used to measure fair value of assets in the tables below on a recurring basis:

Cash and money market funds - the carrying amount approximates fair value because of the short-term nature of these investments.

Debt securities - fair value was based on quoted market prices for the identical securities.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Authority believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

# York County Solid Waste and Refuse Authority

## Notes to Financial Statements

December 31, 2025 and 2024

### Note 4 - Fair Value Measurement (continued)

The following tables present the balances of fair value measurements on a recurring basis by level within the hierarchy as of December 31:

	2025			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
<b>Investments Measured at Fair Value</b>				
<b>Cash and Cash Equivalents</b>				
Money market funds	\$ 2,057,436	\$ -	\$ -	\$ 2,057,436
Cash	901,815	-	-	901,815
<b>Debt Securities</b>				
U.S. Treasury obligations	61,574,854	-	-	61,574,854
U.S. Government Agencies	33,784,179	-	-	33,784,179
Mutual funds	6,538,251	-	-	6,538,251
Corporate and foreign bonds	4,081,738	-	-	4,081,738
	<u>\$ 108,938,273</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 108,938,273</u>
<b>2024</b>				
<b>Investments Measured at Fair Value</b>				
<b>Cash and Cash Equivalents</b>				
Money market funds	\$ 1,635,148	\$ -	\$ -	\$ 1,635,148
Cash	1,202,721	-	-	1,202,721
<b>Debt Securities</b>				
U.S. Treasury obligations	45,749,764	-	-	45,749,764
U.S. Government Agencies	35,686,997	-	-	35,686,997
Mutual funds	5,842,862	-	-	5,842,862
Corporate and foreign bonds	6,130,866	-	-	6,130,866
	<u>\$ 96,248,358</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 96,248,358</u>

## York County Solid Waste and Refuse Authority

### Notes to Financial Statements

December 31, 2025 and 2024

#### Note 5 - Deposits and Investments

All deposits and investments are carried at fair value, which are separated and detailed in this note by financial statement line classification. The Authority currently has a formal investment policy that identifies various policies and procedures to organize and formalize investment-related activities. Each fund holds specific requirements as detailed in each fund's respective section.

##### Cash and Short-Term Investments

As of December 31, 2025 and 2024, the carrying values of the Authority's cash deposits amounted to \$9,781,670 and \$9,855,307, respectively, and the bank balances amounted to \$10,055,115 and \$10,100,663, respectively. Of the bank balances, up to \$250,000 of deposit accounts are covered by the Federal Deposit Insurance Corporation (FDIC) in the Authority's name as of December 31, 2025 and 2024. Bank balances are categorized as follows as of December 31:

	<u>2025</u>	<u>2024</u>
Collateralized with securities held by the pledging financial institution's trust department held in the Authority's name	\$ 9,704,113	\$ 9,753,677
Unsecured	101,002	96,986
Amount insured by federal depository insurance, including fully insured, non-interest bearing accounts	<u>250,000</u>	<u>250,000</u>
	<u>\$ 10,055,115</u>	<u>\$ 10,100,663</u>

Bank balances are collateralized under Pennsylvania Act 72. Pennsylvania Act 72 allows for bank-owned securities to be pledged on a pooled basis to collateralize public funds. Unsecured amounts include funds held in a Pennsylvania Local Government Investment Trust account (PLGIT). While the PLGIT portfolio seeks to maintain a stable net asset value of \$1.00 per share, it is possible to lose money investing in PLGIT. An investment in PLGIT is not insured or guaranteed by the FDIC or any other government agency. Securities held in PLGIT accounts owned by the Authority are stated at fair value, which is determined by using the amortized cost method.

Short-term investments consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Securities held by the pledging financial institution's trust department but in the Authority's name - mutual funds	<u>\$ 2,780,199</u>	<u>\$ 2,399,190</u>

## York County Solid Waste and Refuse Authority

Notes to Financial Statements  
December 31, 2025 and 2024

### Note 5 - Deposits and Investments (continued)

#### General Reserve Escrow Funds

The Authority established general reserve escrow funds, which will be used to pay operating expenses, debt service, or to finance capital projects. Per the escrow agreement, the Authority can transfer funds to a capital project escrow fund or the general fund. All monies are held by Wilmington Trust Investment Group, as Escrow Agent, in the Authority's name.

General reserve escrow funds consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
<b>At Fair Value</b>		
U.S. Treasury obligations	\$ 55,280,055	\$ 39,555,200
U.S. Government Agencies	33,784,179	35,686,997
Corporate and foreign bonds	4,081,738	6,130,866
Money market funds	<u>616,695</u>	<u>2,612,165</u>
	<b>93,762,667</b>	83,985,228
Amount included with cash and cash equivalents on the statement of net position	<u>(616,695)</u>	<u>(2,612,165)</u>
	<b><u>\$ 93,145,972</u></b>	<b><u>\$ 81,373,063</u></b>

#### Closure Funds

##### Section 1109 Trust Fund

Under Section 1109 of Act 101, any municipal authority operating a landfill solely for municipal waste not classified as hazardous is required to establish an interest bearing trust account with an accredited financial institution. This trust money may be used only for completing the final closure and postclosure care of the landfill. No withdrawals may be made from the trust until closure of the landfill. Any money remaining in the trust to certification of final closure of the landfill will be returned to the Authority. All monies are held by Fulton Financial Advisors, as Trustee, in the Authority's name.

##### Collateral Bond

Under Act 97, any permittee/operator of a waste management facility is required to establish a collateral bond pledged to the Pennsylvania Department of Environmental Protection. This money is available for use for closure of the RRC and to prevent and correct potential adverse environmental effects from the operation of the RRC. Liability under this bond shall continue through the duration of the processing and/or disposal of solid waste and for a period of ten years after final approved closure of the RRC. The collateral shall remain in effect until such time as the Pennsylvania Department of Environmental Protection shall, in writing, release such liability and obligations. The collateral bond is held by the Pennsylvania Department of Environmental Protection in the name of the Authority.

# York County Solid Waste and Refuse Authority

## Notes to Financial Statements

December 31, 2025 and 2024

### Note 5 - Deposits and Investments (continued)

#### Closure Funds (continued)

Closure funds consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
<b>At Fair Value</b>		
Section 1109 Trust Fund		
U.S. Treasury obligations	\$ 6,294,799	\$ 6,194,564
Money market funds	1,541,121	1,283,072
Collateral Bond		
Cash	<u>808,000</u>	<u>808,000</u>
	<u>\$ 8,643,920</u>	<u>\$ 8,285,636</u>

#### Self-Insurance Trust Fund

Section 1107 of Act 101 requires municipal authorities to provide financial assurances for satisfying claims of bodily injury and property damage resulting from pollution occurrences arising from the operation of a landfill or resource recovery facility. Municipal authorities may self-insure against such claims. The Authority established a self-insurance fund in 1992 for the purpose of paying claims to third parties. The establishment of the self-insurance fund and procedures thereunder are in accordance with regulations by the Pennsylvania Department of Environmental Protection, which require the fund to be maintained at a minimum of \$2,000,000. All funds are held by Wilmington Trust Investment Group, as Trustee, in the Authority's name.

Self-insurance trust fund consists of the following as of December 31:

	<u>2025</u>	<u>2024</u>
<b>At Fair Value</b>		
Mutual funds	\$ 2,868,634	\$ 2,587,242
Money market funds	417,876	261,724
Cash	<u>93,815</u>	<u>394,721</u>
	<u>\$ 3,380,325</u>	<u>\$ 3,243,687</u>

# York County Solid Waste and Refuse Authority

Notes to Financial Statements

December 31, 2025 and 2024

## Note 5 - Deposits and Investments (continued)

### Landfill Trust Fund

In accordance with an agreement dated December 9, 1985, between Stewartstown Borough (Borough) and Stewartstown Borough Authority, and the Authority, the Borough will accept pretreated leachate from the Authority's landfill in Hopewell Township for treatment at the Borough's sewage treatment plant. In order to ensure continued operation of pretreatment facilities satisfactory to the Borough in the event the Authority ceases to exist, the Authority has established a trust fund in the amount of \$100,000 and \$0.50 per ton for each ton of refuse deposited at the landfill. The Authority ceased utilizing the landfill for trash disposal as of December 31, 1997. The funds are restricted for use by the Borough in the event the Authority fails to meet its obligations to the Borough as set forth in the Agreement. The trust fund shall continue until the Pennsylvania Department of Environmental Protection and the engineer for Stewartstown Borough determine that further collection and treatment of leachate is unnecessary, or until the Authority purchases an insurance policy in terms, conditions, and amounts acceptable to and for the benefit of the Borough. At that time, the trust fund may be terminated and the monies returned to the Authority. All monies are held by Wilmington Trust Investment Group, as Trustee.

Landfill trust fund consists of the following as of December 31:

	<u>2025</u>	<u>2024</u>
<b>At Fair Value</b>		
Stewartstown Borough Trust Fund		
Mutual funds	\$ 889,418	\$ 856,430
Money market funds	<u>98,439</u>	<u>90,352</u>
	<u>\$ 987,857</u>	<u>\$ 946,782</u>

### Interest Rate Risk

The Authority's investments consist of the following as of December 31:

	<u>2025</u>			
	<u>Fair Value of Investment Maturities (in Years)</u>			
	<u>Less Than 1</u>	<u>1 to 5</u>	<u>6 to 10</u>	<u>More Than 10</u>
<b>Cash and Cash Equivalents</b>				
Cash	\$ 901,815	\$ -	\$ -	\$ -
Wilmington U.S. Government Money				
Market Fund	516,315	-	-	-
GS Financial Sq Treas Oblig MMF #469	1,541,121	-	-	-

# York County Solid Waste and Refuse Authority

Notes to Financial Statements  
December 31, 2025 and 2024

## Note 5 - Deposits and Investments (continued)

### Interest Rate Risk (continued)

	2025			
	Fair Value of Investment Maturities (in Years)			
	Less Than 1	1 to 5	6 to 10	More Than 10
<b>Debt Securities</b>				
United States Treasury Note	\$ 1,063,487	\$ 36,071,189	\$ 18,145,379	\$ -
African Development Bank Med Term Note	590,742	-	-	-
Intl Bk Recon & Develop	-	1,869,788	-	-
Inter-American Development Bank International Finance Corp Med Term Note	-	1,034,462	-	-
	586,746	-	-	-
FHLMC	49,166	10,339,929	6,045,878	2,184,401
FHLMC Pool	-	-	778,025	1,759,205
FHLMC - Gold Pool	-	101,716	-	444,151
FHLMC Multifamily Structured	-	711,732	-	-
FNMA	987,740	-	149,807	1,749,607
FNMA Pool	-	-	1,058,583	5,036,945
Freddie Mac REMIC	-	582,996	-	-
GNMA	-	-	-	678,322
GNMA II Pool	-	384,398	-	-
GNMA Pool	-	-	-	214,700
Tennessee Valley Authority	-	-	526,878	-
GS Short Dur Gov In (447)	6,294,799	-	-	-
Blackrock PA Municipal Bond Fund	2,273,289	-	-	-
Ishares 3-7 year Treasury Bond ETF	-	2,166,441	-	-
Vanguard PA LT Tax Exempt Fund	-	2,098,521	-	-
	<u>\$ 14,805,220</u>	<u>\$ 55,361,172</u>	<u>\$ 26,704,550</u>	<u>\$ 12,067,331</u>
<b>2024</b>				
<b>Cash and Cash Equivalents</b>				
Cash	\$ 1,202,721	\$ -	\$ -	\$ -
Wilmington U.S. Government Money Market Fund	352,076	-	-	-
GS Financial Sq Treas Oblig MMF #469	1,283,072	-	-	-

## York County Solid Waste and Refuse Authority

Notes to Financial Statements

December 31, 2025 and 2024

### Note 5 - Deposits and Investments (continued)

#### Interest Rate Risk (continued)

	2024			
	Fair Value of Investment Maturities (in Years)			
	Less Than 1	1 to 5	6 to 10	More Than 10
<b>Debt Securities</b>				
United States Treasury Note	\$ 2,489,953	\$ 31,499,689	\$ 5,565,558	\$ -
African Development Bank Med Term Note	-	568,956	-	-
Intl Bk Recon & Develop	1,139,472	532,074	1,264,444	-
Inter-American Development Bank International Finance Corp Med Term Note	1,078,308	983,840	-	-
FHLMC	-	563,772	-	-
FHLMC Pool	-	9,394,330	6,097,590	2,483,202
FHLMC - Gold Pool	-	-	412,370	2,428,931
FHLMC Multifamily Structured	-	152,661	-	456,694
FNMA	-	698,572	-	-
FNMA Pool	-	961,070	179,332	1,922,592
Freddie Mac REMIC	-	-	1,321,750	5,862,788
GNMA	-	559,230	-	-
GNMA II Pool	-	-	533,314	-
GNMA Pool	-	-	-	235,803
Tennessee Valley Authority	725,349	-	490,812	-
GS Short Dur Gov In (447)	6,194,564	-	-	-
Blackrock PA Municipal Bond Fund	2,261,972	-	-	-
Ishares 3-7 year Treasury Bond ETF	-	1,606,145	-	-
Vanguard PA LT Tax Exempt Fund	-	1,974,745	-	-
	<u>\$ 16,727,487</u>	<u>\$ 49,495,084</u>	<u>\$ 15,865,170</u>	<u>\$ 14,160,617</u>

#### Credit Risk

As of December 31, 2025 and 2024, all of the Authority's rated investments in debt securities were rated AAA by Moody's and AAA or AA+ by Standard & Poor's.

#### Custodial Credit Risk

For deposits and short-term investments, custodial risk is the risk that in the event of the failure of the counterparty, the Authority will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. As of December 31, 2025 and 2024, \$12,585,314 and \$12,249,853, respectively, of the Authority's deposits and short-term investments were exposed to custodial credit risk.

## York County Solid Waste and Refuse Authority

### Notes to Financial Statements

December 31, 2025 and 2024

#### Note 5 - Deposits and Investments (continued)

##### Concentration of Credit Risk

The Authority places no limit on the amount that may be invested in any one issuer. As of December 31, 2025 and 2024, more than 5.00% of the Authority's investments are in the following:

	<u>2025</u>	<u>2024</u>
United States Treasury Notes	50.74 %	41.10 %
Federal Home Loan Mortgage Corp	17.09	18.68
GS Short Dur Gov In (447)	5.78	6.44
Federal National Mortgage Association Pool	5.60	7.46

#### Note 6 - Contractual Obligation

On November 11, 1998, the Authority executed a service agreement with Montenay York Resource Energy Systems, LLC, which was later purchased by Reworld Energy LLC (Reworld), to operate the RRC. The Authority paid monthly service fees to Reworld, which in the aggregate amounted to \$28,651,849 and \$28,728,836 for the years ended December 31, 2025 and 2024, respectively.

#### Note 7 - Capital Assets

Capital assets consist of the following as of December 31:

	<u>2024</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>2025</u>
<b>Capital Assets</b>				
Land *	\$ 4,940,501	\$ -	\$ -	\$ 4,940,501
Resource Recovery Center	211,177,572	175,875	(1,033,697)	210,319,750
Ash Recycling and Processing Facility	14,678,113	273,387	146,191	15,097,691
Management Center	1,474,328	-	-	1,474,328
Heavy equipment	715,874	69,355	-	785,229
Miscellaneous equipment	357,880	-	-	357,880
Office furniture and equipment	170,467	-	-	170,467
Landfill liners and system improvements	8,920,856	-	-	8,920,856
Construction-in- progress *	2,699,979	1,466,516	(2,600,760)	1,565,735
	<u>245,135,570</u>	<u>1,985,133</u>	<u>(3,488,266)</u>	<u>243,632,437</u>

# York County Solid Waste and Refuse Authority

## Notes to Financial Statements

December 31, 2025 and 2024

### Note 7 - Capital Assets (continued)

	<u>2024</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>2025</u>
<b>Accumulated Depreciation</b>				
Resource Recovery Center	\$ (141,598,328)	\$ (4,241,580)	\$ 1,244,090	\$ (144,595,818)
Ash Recycling and Processing Facility	(2,773,607)	(653,340)	-	(3,426,947)
Management Center	(1,378,909)	(9,291)	-	(1,388,200)
Heavy equipment	(706,655)	(23,090)	-	(729,745)
Miscellaneous equipment	(287,406)	(17,413)	-	(304,819)
Office furniture and equipment	(170,467)	-	-	(170,467)
Landfill liners and system improvements	(8,811,454)	(10,168)	-	(8,821,622)
	<u>(155,726,826)</u>	<u>(4,954,882)</u>	<u>1,244,090</u>	<u>(159,437,618)</u>
	<u>\$ 89,408,744</u>	<u>\$ (2,969,749)</u>	<u>\$ (2,244,176)</u>	<u>\$ 84,194,819</u>

\* Not depreciated

	<u>2023</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>2024</u>
<b>Capital Assets</b>				
Land *	\$ 4,940,501	\$ -	\$ -	\$ 4,940,501
Resource Recovery Center	211,147,343	30,229	-	211,177,572
Ash Recycling and Processing Facility	14,649,976	28,137	-	14,678,113
Management Center	1,474,328	-	-	1,474,328
Heavy equipment	715,874	-	-	715,874
Miscellaneous equipment	296,822	61,058	-	357,880
Office furniture and equipment	170,467	-	-	170,467
Landfill liners and system improvements	8,920,856	-	-	8,920,856
Construction-in-progress *	162,173	2,537,806	-	2,699,979
	<u>242,478,340</u>	<u>2,657,230</u>	<u>-</u>	<u>245,135,570</u>

## York County Solid Waste and Refuse Authority

### Notes to Financial Statements

December 31, 2025 and 2024

#### Note 7 - Capital Assets (continued)

	<u>2023</u>	<u>Additions</u>	<u>Disposals/ Transfers</u>	<u>2024</u>
<b>Accumulated Depreciation</b>				
Resource Recovery Center	\$ (137,471,085)	\$ (4,127,243)	\$ -	\$ (141,598,328)
Ash Recycling and Processing Facility	(2,184,611)	(588,996)	-	(2,773,607)
Management Center	(1,369,618)	(9,291)	-	(1,378,909)
Heavy equipment	(697,436)	(9,219)	-	(706,655)
Miscellaneous equipment	(277,789)	(9,617)	-	(287,406)
Office furniture and equipment	(169,162)	(1,305)	-	(170,467)
Landfill liners and system improvements	(8,801,285)	(10,169)	-	(8,811,454)
	<u>(150,970,986)</u>	<u>(4,755,840)</u>	<u>-</u>	<u>(155,726,826)</u>
	<u>\$ 91,507,354</u>	<u>\$ (2,098,610)</u>	<u>\$ -</u>	<u>\$ 89,408,744</u>

\* Not depreciated

The total of capitalized construction-in-progress costs as of December 31, 2025 and 2024 amounted to \$1,565,735 and \$2,699,979, respectively. These capitalized costs are for plant life extension, ash plant, and transfer station projects.

#### Note 8 - Long-Term Debt

Long-term debt consists of the following as of December 31:

	<u>2025</u>	<u>2024</u>
Citizens & Northern Bank (Bank); Solid Waste System Revenue Note, Series of 2021; issued July 1, 2021; collateralized by capital projects; original principal balance of \$5 million; interest at 1.30%; requires annual principal payments and semi-annual interest payments; due July 15, 2028	\$ 2,200,000	\$ 2,915,000
Current maturities	<u>(724,000)</u>	<u>(715,000)</u>
	<u>\$ 1,476,000</u>	<u>\$ 2,200,000</u>

## York County Solid Waste and Refuse Authority

### Notes to Financial Statements

December 31, 2025 and 2024

#### Note 8 - Long-Term Debt (continued)

Aggregate maturities of long-term debt, assuming no change in current terms, consist of the following for the remaining three years ending December 31:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 724,000	\$ 28,600	\$ 752,600
2027	733,000	19,188	752,188
2028	743,000	9,659	752,659
	<u>\$ 2,200,000</u>	<u>\$ 57,447</u>	<u>\$ 2,257,447</u>

The Authority's long-term debt contains a provision that in an event of default, the Bank shall have the right to accelerate the outstanding principal balance.

#### Note 9 - Designated Net Position

The Board of Directors and management have designated certain assets of the Authority, which consist of the following as of December 31:

	<u>2025</u>	<u>2024</u>
General reserve escrow	<u>\$ 93,863,669</u>	<u>\$ 84,082,214</u>

#### Note 10 - Lease Income

The Authority has entered into multiple agreements whereby the Authority leases a portion of land to a company for training students to operate tractor trailers in order to obtain a commercial driver's license. The leases have original terms for three-year periods and end through August 2027, including amendments. The leases can be terminated by either party with a written notice of sixty days. Fixed lease income earned by the Authority for the years ended December 31, 2025 and 2024 amounted to \$26,100 and \$24,400, respectively.

The Authority has entered into an agreement whereby the Authority leases a portion of land to a company for purposes of storing and parking of trucks and semi-trailers through August 2027, but can be terminated by either party with a written notice of ninety days. Fixed lease income earned by the Authority for the years ended December 31, 2025 and 2024 amounted to \$10,036 and \$9,876, respectively.

The Authority has entered into an agreement whereby the Authority leases a portion of land to an unrelated third-party for the use, maintenance, repair, and operation of a facility for the conversion of food waste to natural gas and such other uses performed in the ordinary course of the tenant's business. The agreement is for a thirty-year period through March 2052 with rent adjusted annually on each anniversary according to the Consumer Price Index. During the year ended December 31, 2024, the Authority and lessee mutually agreed to terminate the lease agreement. As a result, the leases receivable decreased by \$2,255,455 and deferred inflows of resources related to the lease decreased by \$2,158,180, for a net loss on the termination of \$97,275. Fixed lease and interest income earned by the Authority for the years ended December 31, 2025 and 2024 amounted to \$0- and \$44,359, respectively.

## **York County Solid Waste and Refuse Authority**

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### Notes to Financial Statements

December 31, 2025 and 2024

#### **Note 10 - Lease Income (continued)**

Variable and other lease income earned by the Authority for each of the years ended December 31, 2025 and 2024 amounted to \$1,164.

#### **Note 11 - Contingencies**

The Authority completed closure construction on the York County Sanitary Landfill during the year ended December 31, 1998. State and federal laws and regulations require that the Authority place a final cover on the landfill site when it stopped accepting waste, and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Closure and postclosure care costs will be paid after the date that the landfill stopped accepting waste, and are not material to the financial statements.

The Authority will continue to be responsible to perform certain maintenance and monitoring functions at the site through 2028. The Authority will recognize these costs as operating expenses during the year in which the expense is incurred. As of December 31, 2025, management of the Authority is not aware of any additional liability related to their responsibilities for the postclosure activities.

The Authority is involved in various legal actions and claims arising in the ordinary course of business. It is the opinion of management that such litigation and claims will be resolved without material effect on the Authority's net position.

#### **Note 12 - Pension Plan**

The Authority sponsors a defined contribution retirement plan, the "York County Solid Waste and Refuse Authority Plan" (Plan), which covers all employees who meet certain age and length of service requirements. The Plan was established with Manufacturer's and Trade Trust Company (M&T) as Plan Trustee, who holds the assets of the Plan in a trust and has exclusive authority and discretion to manage and control the assets of the Plan. The Authority, who is acting as Plan Administrator, has provided the Board of Directors with the authority to amend or terminate this Plan as described in the plan agreement. As of December 31, 2025 and 2024, there were 27 and 29 plan members, respectively.

For participating employees, the Authority will make contributions to the Plan at a rate of 10% of compensation. Participants in the Plan become vested in the employer contributions based on a seven-year graded vesting schedule ranging from 0% vested for employment under two years of service to 100% vested after seven years of service. Upon the termination of an employee, forfeitures of unvested amounts are credited to the annual contribution. There were no forfeitures during the years ended December 31, 2025 and 2024. The Authority's contribution and retirement expense for the years ended December 31, 2025 and 2024 amounted to \$209,673 and \$183,376, respectively. Unpaid contributions amounted to \$101,472 and \$73,720 as of December 31, 2025 and 2024, respectively, and are included in accounts payable on the statement of net position.

## **York County Solid Waste and Refuse Authority**

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### Notes to Financial Statements

December 31, 2025 and 2024

#### **Note 12 - Pension Plan (continued)**

During the year ended December 31, 1999, the Authority adopted an Eligible Deferred Compensation Plan, under the provisions of Section 457 of the Internal Revenue Code of 1986. Under the plan, contributions by the Authority on behalf of the employees are at management's discretion. No contributions were made to the plan by the Authority during the years ended December 31, 2025 and 2024.

All amounts deferred under both plans are held in trust for the exclusive benefit of the participating employees and are not accessible by the Authority or its creditors.

#### **Note 13 - Concentration**

The Authority derives a significant portion of its revenue from waste disposal fees and electric sales. For the years ended December 31, 2025 and 2024, respectively, two and three customers account for approximately 33% and 45% of total operating revenue.

#### **Note 14 - Subsequent Events**

The Authority has evaluated subsequent events through March 18, 2026. This date is the date the financial statements were available to be issued. No material events subsequent to December 31, 2025 were noted.

# York County Solid Waste and Refuse Authority

## Operating Expenses

	Years Ended December 31,			
	2025		2024	
Reworld operations and maintenance	\$ 28,651,849	51.75 %	\$ 28,728,836	56.22 %
Ash recycling	8,111,837	14.65	8,340,141	16.32
Insurance	2,293,561	4.14	2,236,892	4.38
Salaries	2,082,345	3.76	2,093,568	4.10
Recycling fee	782,785	1.41	831,379	1.63
Host fees	747,203	1.35	752,064	1.47
Reworld excess processing fee	499,867	0.90	879,762	1.72
Electric	351,244	0.63	302,335	0.59
Building and site maintenance	310,149	0.56	305,334	0.60
Retirement expense	209,673	0.38	183,376	0.36
Engineering fees	209,666	0.38	151,875	0.30
Household hazardous waste	201,942	0.37	171,389	0.33
Public information	165,039	0.30	179,634	0.35
Payroll taxes	158,998	0.29	151,608	0.30
Professional fees	153,915	0.28	168,363	0.33
Recycling projects	153,033	0.28	118,249	0.23
Trustee fees	123,769	0.22	106,539	0.21
Water analysis	107,541	0.19	101,253	0.20
Landfill - nonprocessibles	94,154	0.17	90,546	0.18
Permits and licenses	93,043	0.17	112,830	0.22
Other	92,369	0.17	88,306	0.17
Water and sewer usage	63,666	0.11	69,008	0.13
Financial advisory services	44,042	0.08	41,043	0.08
Equipment operating expenses	34,894	0.06	20,444	0.04
Office supplies and expenses	28,447	0.05	28,560	0.06
Dues, subscriptions, and public notifications	28,348	0.05	19,348	0.04
Telephone	23,643	0.04	21,953	0.04
Training program	23,246	0.04	29,706	0.06
Equipment parts and maintenance	20,772	0.04	13,032	0.03
Safety program	15,584	0.03	16,006	0.03
Meetings and conferences	10,825	0.02	7,668	0.02
Equipment rental	9,232	0.02	10,924	0.02
Alternative water supply	6,872	0.01	13,822	0.03
Temporary help	4,694	0.01	5,103	0.01
Travel expenses	3,323	0.01	2,003	-
	<b>\$ 45,911,570</b>	<b>82.92 %</b>	<b>\$ 46,392,899</b>	<b>90.80 %</b>

## York County Solid Waste and Refuse Authority

### Other Income (Loss)

	Years Ended December 31,			
	2025		2024	
Interest income - operations	\$ 3,318,018	5.99 %	\$ 2,931,822	5.74 %
Net increase (decrease) in the fair value of investments	2,899,259	5.24	(75,325)	(0.15)
Interest income - landfill trust fund	294,947	0.53	283,107	0.56
Gain on sale of investments	241,035	0.43	221,757	0.43
Grant income	114,999	0.21	112,855	0.22
Recycling income	106,256	0.19	110,361	0.22
Rent income	37,300	0.07	61,209	0.12
Interest income - leases	-	-	18,590	0.04
Other income	-	-	2,500	-
Loss on termination of leases	-	-	(97,275)	(0.19)
Loss on disposal of capital assets	(2,244,176)	(4.05)	-	-
	<u>\$ 4,767,638</u>	<u>8.61 %</u>	<u>\$ 3,569,601</u>	<u>6.99 %</u>