

# Solid Waste Authority of Palm Beach County, FL



**Fiscal Years Ended  
September 30, 2020 and 2019**

**A Component Unit of Palm Beach County, FL**

# **INTRODUCTORY SECTION**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT**

**SOLID WASTE AUTHORITY OF  
PALM BEACH COUNTY, FLORIDA**

**A COMPONENT UNIT OF PALM BEACH COUNTY, FLORIDA  
FISCAL YEARS ENDED SEPTEMBER 30, 2020 AND 2019**



Prepared by the Department of Financial Services  
of the Solid Waste Authority of Palm Beach County, Florida



SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

SEPTEMBER 30, 2020 AND 2019

TABLE OF CONTENTS

	<u>Page Number</u>
<b>INTRODUCTION SECTION</b>	
Title Page .....	i
Table of Contents .....	ii
Letter of Transmittal .....	iv
Certificate of Achievement for Excellence in Financial Reporting .....	x
List of Principal Officials .....	xi
Organizational Structure .....	xii
<b>FINANCIAL SECTION</b>	
<b>Independent Auditor’s Report</b> .....	1
<b>Management’s Discussion and Analysis</b> .....	3
<b>Financial Statements</b>	
Statements of Net Position .....	9
Statements of Revenues, Expenses and Changes in Net Position .....	11
Statements of Cash Flows .....	12
Notes to Financial Statements .....	14
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Changes in Total OPEB Liability and Related Ratios .....	66
Schedule of Employer Contributions – Florida Retirement System Pension Plan .....	67
Schedule of Proportionate Share of Net Pension Liability – Florida Retirement System Pension Plan .....	68
Schedule of Employer Contributions – Florida Retirement System Retiree Health Insurance Subsidy Program .....	69
Schedule of Proportionate Share of Net Pension Liability – Florida Retirement System Retiree Health Insurance Subsidy Program .....	70
<b>STATISTICAL SECTION</b>	
Financial Trends	
Net Position by Component .....	71
Changes in Net Position .....	72

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

SEPTEMBER 30, 2020 AND 2019

TABLE OF CONTENTS

	<u>Page Number</u>
<b>STATISTICAL SECTION (Continued)</b>	
Revenue Capacity	
Disposal Assessment Rates.....	74
Curbside Collection Assessment Rates.....	76
Container Collection Assessment Rates .....	77
Disposal and Collection Assessment Levies and Collections.....	78
Ten Largest Assessment Payers.....	79
Tipping Fee Rates .....	80
Waste Disposal and Recycling Volume.....	81
Ten Largest Tipping Fee Customers.....	82
Graph of Operating Revenue and Expenses .....	83
Debt Capacity	
Outstanding Debt by Type .....	84
Revenue Bond Debt Service Coverage.....	85
Graph of Waste Disposal and Recycling Tonnage and Revenue Bond Coverage .....	86
Demographic and Economic Information	
Demographic and Economic Statistics .....	87
Principal County Employers.....	88
Operating Information	
Full-time Authority Employees by Function .....	89
Capital Asset Statistics by Function .....	90
Operating Indicators.....	92
Miscellaneous Statistics .....	96
<b>COMPLIANCE REPORTS AND MANAGEMENT LETTER</b>	
Independent Auditor’s Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	97
Management Letter in Accordance with the Rules of the Auditor General of the State of Florida .....	99
Independent Accountant’s Report on Compliance with Section 218.415, Florida Statutes .....	102



YOUR PARTNER FOR  
SOLID WASTE SOLUTIONS

February 10, 2021

The Honorable Chair and Members of the  
Solid Waste Authority Board  
Solid Waste Authority of Palm Beach County  
West Palm Beach, Florida

The comprehensive annual financial report of the Solid Waste Authority of Palm Beach County, Florida, (the "Authority") for the fiscal year ended September 30, 2020, is hereby submitted. The Authority is required by Florida Statutes to have an annual audit and to submit this report to the Florida Auditor General's office within nine months of the close of each fiscal year. Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with the Authority. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Authority. All disclosures necessary to enable the reader to gain an understanding of the Authority's financial activities have been included.

Management of the Authority is responsible for establishing and maintaining internal controls designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Authority's financial statements in conformity with U.S. generally accepted accounting principles. The Authority's internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and, (2) the valuation of costs and benefits requires estimates and judgments by management.

The Authority's financial statements are audited by an independent certified public accounting firm. The objective of the audit involves examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management to provide reasonable assurance that the financial statements are free of material misstatements.

As part of the Authority's annual audit, a review is made of internal controls and tests are performed to determine that the Authority has complied with applicable laws and regulations. The results of the Authority's audit for the fiscal year ended September 30, 2020 identified no instances of significant deficiencies in internal controls or material violations of applicable laws and regulations.

The Authority is required to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Authority's MD&A can be found starting on page 3.

## **PROFILE OF THE GOVERNMENT**

**Government Entity:** The Authority is a dependent special district created by the Florida Legislature and governed by the seven elected County Commissioners for Palm Beach County, Florida. The Palm Beach County Solid Waste Act gives the Authority the power to construct and operate solid waste disposal facilities sufficient to effectively manage all solid waste generated in Palm Beach County. Additionally, the Act provides the Authority with the jurisdiction to collect waste throughout the unincorporated areas of the county, which is handled by private haulers under contract with the Authority.

**Reporting Entity:** The management of the Authority has considered whether there are potential component units that should be included in the Authority's financial statements, by applying the criteria set forth by U.S. generally accepted accounting principles. Based upon the application of these criteria, the only entity to consider was Palm Beach County, Florida. Based on the Governing Board of the Authority being the Board of County Commissioners of Palm Beach County, it was determined that the County was financially accountable for the operations of the Authority. Accordingly, in accordance with U.S. generally accepted accounting principles, the Authority is reported as a component unit of Palm Beach County for the year ended September 30, 2020.

**Budgetary Control:** The Authority adopts an annual operating budget as a financial plan for the year. Activities of the operating accounts (Acquisition and Construction, Revenue, Operating, Debt Service, Operating Reserve, Subordinated Indebtedness, Renewal and Replacement, Capital Improvement and General Reserve) required by the Trust Indenture securing the Authority's bonded indebtedness are included in the annual budget. Although the Authority is legally required to adopt an annual budget, there is no legal requirement for external reporting of budgetary basis financial information.

## **ECONOMIC CONDITION**

**Local Economy:** Palm Beach County is the 3rd most populous county in the State of Florida. The latest population estimate prepared by the University of Florida indicates that the current population of the County is approximately 1.47 million. Projections show the population growing at an estimated annual rate of 0.76% from 2020 through 2054 with corresponding increases in service businesses and light industry.

**Major Industries:** The economic base of Palm Beach County has been dependent on the real estate and construction industries associated with producing housing for the increasing population of the County. Agriculture is an important industry in the rural, western area of the County that produces winter vegetables, citrus, sugar cane, flowers and ornamental plants. During the winter and spring months many businesses rely on the economic gain from the increase in tourism. Tourists are drawn to south Florida due to our warm weather and major league baseball training camps.

**Relevant Financial Policies:** In accordance with the Indenture of Trust, the Authority must at all times establish assessments, tipping fees and other fees, rates and charges to provide net revenues (gross revenue less operating expenses) in each fiscal year at least equal to 110% of the annual debt service. The Authority was in compliance with this requirement for 2020 and all prior fiscal years.

**Long Term Financial Planning:** The unemployment rate in Palm Beach County increased during 2020, due to impacts from COVID-19, and is also up from 2016, at 5.1%, to approximately 7.3% as of August 2020. Homeowners' equity positions and mortgage performance have improved strengthening home price appreciation. In the long-run, demographics should position the housing market to be more favorable with improvements in labor market conditions, which adds to the economic growth index creating increased demand for multifamily and single-family properties. While population continues to increase in Palm Beach County, the solid waste quantities requiring disposal will likely increase and the Authority's revenue stream, non-ad valorem assessment and volume based tipping fees will be steady.

Actual quantities of waste for the current and preceding nine years, and future projections of solid waste to be handled by the Authority’s facilities are as follows:

		Garbage Class I (Tons/Year)	Trash/ Other Waste (Tons/Year)	Recycled Materials (Tons/Year)	Waste Stream Total (Tons/Year)
ACTUAL	2011	891,310	619,557	110,123	1,620,990
	2012	913,756	593,930	106,308	1,613,994
	2013	935,446	782,623	106,361	1,824,430
	2014	957,482	866,073	102,413	1,925,968
	2015	976,746	843,650	98,128	1,918,524
	2016	1,019,211	977,180	93,569	2,089,960
	2017	1,034,513	965,533	90,278	2,090,324
	2018	1,052,361	959,343	92,345	2,104,049
	2019	1,054,016	1,035,887	98,359	2,188,262
PROJECTED	2020	1,054,708	1,094,280	111,093	2,260,081
	2025*	1,195,209	1,041,157	118,207	2,354,573
	2030*	1,312,441	1,133,987	129,802	2,576,230

*\*Projected tonnage is from SWA's 2021 Landfill Depletion Model; Projected Trash/Other for 2025 and 2030, both exclude Supplemental Waste Program tonnage (which amounted to 108,150 tons in FY 2020).*

### **Major Initiatives**

The Authority has initiated an update to the Authority’s Master Solid Waste Management Plan that will include a comprehensive analysis of the existing Solid Waste Management System (SWMS) relative to the quantity of municipal solid waste that is estimated to increase over the next 30 years. The condition and capacity of each major component and utility infrastructure of the SWMS will be evaluated relative to its continued suitability to function at the capacity necessary to manage the projected waste flows for the next 30 year planning period.

The Authority initiated a planning project to determine options for the continued operation of the Biosolids Processing Facility at the end of the current Operations and Maintenance Agreement. This effort considers options for refurbishing the facility to continue at its design capacity, expanding the processing capacity, modifying the facility to comply with new/pending regulatory requirements, and retiring/decommissioning the facility. This effort will be accomplished in conjunction with the current Municipal Waste Water Utilities that are the Authority’s partners in the development and operation of this facility.

The Authority has initiated a project to upgrade the Recovered Materials Processing Facility’s comingled container processing line. This effort includes a complete evaluation of all the major equipment system components relative to the current incoming material composition and the new markets for recovered material. An RFP for new equipment was issued through the facility operator and proposals were received in January 2021. The facility operator is currently evaluating



the proposals. This effort is designed to increase the efficiency through increased throughput, consistent quality and decreased processing costs.

The Authority has continued the project with the University of Florida to evaluate the utilization of the ash residue, created during the combustion of waste in the Authority's Renewable Energy Facilities, in construction applications. The results of this investigation have been very promising indicating that the material is suitable for use as road base and aggregate in concrete with no measurable environmental impacts. Based on the results of these studies the Authority has submitted an application with the Florida Department of Transportation (FDOT) and the Florida Department of Environmental Protection (FDEP) seeking approval for the use of these products in commercial applications. FDEP has approved the utilization of the ash aggregate, on a pilot project basis, to include local roads and nonstructural concrete and FDOT is currently in the process of approving a developmental specification to allow the use of this material. Given the progress to date the Authority has initiated discussions with local municipal agencies/departments to identify potential pilot projects and several aggregate and concrete suppliers to engage potential partners in completing these pilot projects.

The Authority continued a technical evaluation of processing systems that remove small, less than 3/8" metal particles from the ash residue created during the combustion of waste in the Authority's Renewable Energy Facilities. Metals in this size range typically include a high percentage of precious and other high value metals that could potentially provide a new significant revenue stream for the Authority. The Authority completed a pilot project to complete a large scale testing program to capture and analyze this material, providing site specific data as to the quantity and quality of both the ferrous and non-ferrous metals remaining in the combustor ash. In addition to recovering these metals the processing system produces ash aggregate that is suitable for use in the ash aggregate pilot projects described above.

After FDEP approval of utilizing ash aggregate in concrete and asphalt, the Authority has planned to construct a new 1,000 foot road at the Cross State Landfill to serve as access for DS Eakins, Palm Beach County Road and Bridge, and the new Lessee Horizon 880. This project will serve as a pilot to assess how aggregate from ash can be incorporated in large scale projects. The project is currently in construction and should be completed by Spring 2021.

The Authority has completed the design for the final closure of cells 5-10 on the Class I landfill. This project will allow us to capture significant amounts of new airspace, enhance storm water management, improve leachate management systems, improve the gas collection system and improve odor control. The project was submitted to FDEP and approval has been received. Reconfiguration of the west sideslope of Class I Cells 5, 8, 9, and 11 is nearly complete. Landfill operations will soon move on to the reconfiguration of the east sideslope.

The Authority is working with its Consultants to obtain several additional approvals from FDEP. The first project is to evaluate the structural and geotechnical characteristics of the landfill area to seek approval for a vertical expansion of the landfill. The currently permitted maximum pre-settlement elevation of the landfill is 167 feet NGVD. The Authority is evaluating how much higher the landfill can be constructed and how much additional airspace can be gained for waste disposal. The second project is to obtain approval for landfilling ash residue in the Class III landfill. The authority received approval from FDEP in 2003 to utilize ash as initial cover. Additionally, as detailed above, the Authority received approval from FDEP in 2019 to use ash aggregate in

concrete and asphalt. The Authority is working towards submitting an application to FDEP and is planning to receive approval for a Research, Development, and Demonstration (RD&D) permit with FDEP to recover nearly 700,000 cubic yards of airspace remaining on the sideslopes of the Class III landfill, filling this volume with ash.

The Authority initiated a project to replace the underground electric cables for Feeders F4, F5, and F6. Several new pad-mounted switches will be replaced or added to allow the facilities on F4 and F6 to be powered by either. The project is currently in design and should be complete by early 2021.

The Authority replaced the electrical switch gear and upgraded the building for the main back-up generator at the SWA utilities complex. These improvements included replacement of the 25 year old electrical switch gear and building modifications to improve ventilation, safety and storm readiness.

The Authority replaced the push walls at the West Central Transfer Station. The project included structural design and fabrication of new push walls installed on the tip floor of the Transfer Station.

The Authority recently completed the upgrades to the Landfill Warehouse facility. These upgrades included the addition of a paved roadway and parking spots and landscaping necessary to comply with provisions issued in the City of West Palm Beach site plan approval.

The Authority upgraded the emergency generator systems at the Glades Regional Transfer Station. These improvements provide emergency power to the entire facility.

The Authority completed the design for several major improvements to the main Household Hazardous Waste Collection facility. These include ventilation upgrades, improved storage capacity and improved lighting. The project should be completed by mid-2021.

The Authority completed the design to replace the portable scalehouse on the outbound scale at the Landfill facility. The project will include a new foundation and new scalehouse. The project is currently in construction and should be complete by mid-2021.

The Authority completed the design to replace the steel cladding on the four (4) load-out hoppers, tunnel steel-clad curbs, and the column anchor bolts at the North County Transfer Station. The project will reduce maintenance costs at the facility. The project is currently in procurement and the project should be completed by late-2021.

The Authority completed the design to replace the electrical switchgear at its Administration Building and Vehicle Maintenance Building. The construction contract has been awarded and the project should be completed by mid-2021.

The Authority completed a project to replace the scale software management system that is used at the six transfer stations, the Recovered Materials Processing Facility, two waste to energy facilities and the landfill. Using the latest technology, the new system will provide a stable technological foundation for scale operations, increase process performance and improve the customer experience at the scale facilities.

## For the Future

Several new projects are anticipated to be initiated during the upcoming fiscal year.

The Authority will initiate a project to repair curb steel at the West Central Transfer Station. The project will replace the severely worn steel cladding in the tunnels and will reduce the down time and maintenance costs at the facility.

The Authority will initiate a project to repair the concrete in the tunnel floors, replace the steel cladding on the curbs, and raise the floor drains at the Central County Transfer Station. The project will reduce maintenance costs at the facility.

The Authority will initiate a project to replace the sacrificial slab on the tipping floor and repair the wall in the recycling area of the Belle Glade Transfer Station.

The Authority will initiate a project to begin preliminary design efforts on Class I Cells 25 & 26. This project will identify the design basis in anticipation of a detailed final design effort in subsequent years.

## **AWARDS AND ACKNOWLEDGEMENTS**

**Awards:** The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Authority for its comprehensive annual financial report for the fiscal year ended September 30, 2019. In order to be awarded a Certificate of Achievement, the Authority published an easily readable and efficiently organized comprehensive annual financial report. This report satisfies both U.S. generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

**Acknowledgments:** The preparation of the comprehensive annual financial report on a timely basis was made possible by the dedicated services of the entire staff of the finance department. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

In closing, without the leadership and support of the Solid Waste Authority Board, preparation of this report would not have been possible.

Sincerely,



Dan Pellowitz  
Executive Director



Paul E. Dumars, Sr.  
Chief Financial Officer



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Solid Waste Authority of Palm Beach County  
Florida**

For its Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

September 30, 2019

*Christopher P. Morill*

Executive Director/CEO

Comprehensive Annual Financial Report  
Solid Waste Authority of Palm Beach County  
A Component Unit of Palm Beach County, Florida  
Fiscal Year Ended September 30, 2020

***List of Principal Officers  
Authority Governing Board***



Chair  
Vice Mayor  
Robert S. Weinroth  
District 4



Vice Chair  
Commissioner  
Gregg K. Weiss  
District 2



Secretary  
Commissioner  
Mack Bernard  
District 7



Member  
Mayor  
Dave Kerner  
District 3



Member  
Commissioner  
Hal R. Valeche  
District 1



Member  
Commissioner  
Mary Lou Berger  
District 5



Member  
Commissioner  
Melissa McKinlay  
District 6

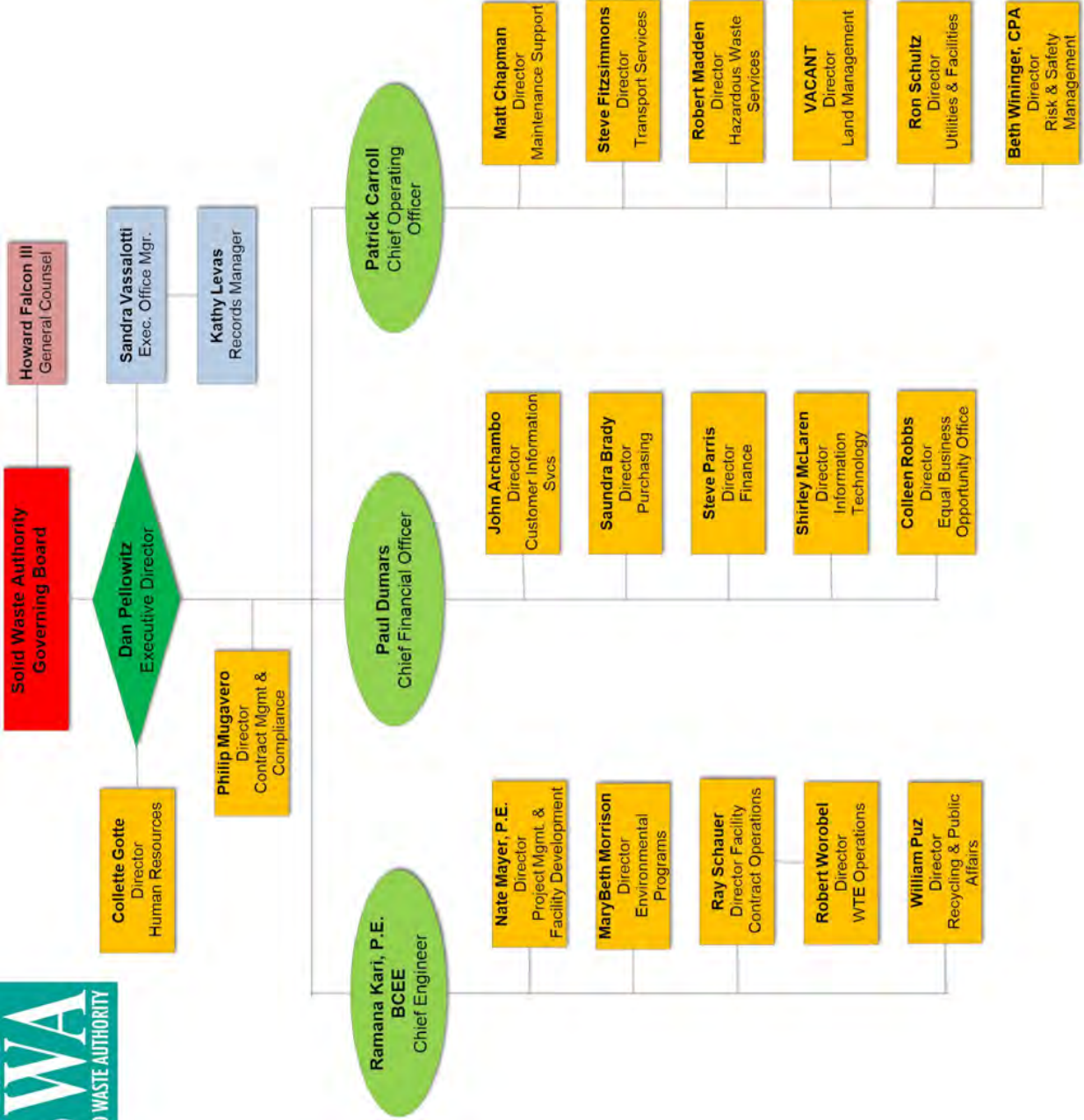
Dan Pellowitz  
Executive Director

Paul E. Dumars, Sr.  
Chief Financial Officer





**Solid Waste Authority of Palm Beach County**  
 7501 North Jog Road, West Palm Beach, FL 33412  
 (561) 640-4000 www.swa.org



**Organizational Structure**

# **FINANCIAL SECTION**



# NOWLEN, HOLT & MINER, P.A.

CERTIFIED PUBLIC ACCOUNTANTS

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WEST PALM BEACH, FLORIDA 33402-0347  
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EVERETT B. NOWLEN (1930-1984), CPA  
EDWARD T. HOLT, CPA  
WILLIAM B. MINER, RETIRED  
ROBERT W. HENDRIX, JR., CPA  
JANET R. BARRICEVICH, RETIRED, CPA  
TERRY L. MORTON, JR., CPA  
N. RONALD BENNETT, CVA, ABV, CFF, CPA  
ALEXIA G. VARGA, CFE, CPA  
EDWARD T. HOLT, JR., PFS, CPA  
BRIAN J. BRESCIA, CFP®, CPA

MARK J. BYMASTER, CFE, CPA  
RYAN M. SHORE, CFP®, CPA  
WEI PAN, CPA  
WILLIAM C. KISKER, CPA  
RICHARD E. BOTTS, CPA

## INDEPENDENT AUDITOR'S REPORT

The Honorable Chair and Members of the  
Solid Waste Authority Board  
Solid Waste Authority of Palm Beach County  
West Palm Beach, Florida

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BELLE GLADE, FLORIDA 33430-0338  
TELEPHONE (561) 996-5612  
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### Report on the Financial Statements

We have audited the accompanying financial statements of the Solid Waste Authority of Palm Beach County, Florida, a component unit of Palm Beach County, Florida, as of and for the years ended September 30, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Solid Waste Authority of Palm Beach County, Florida's basic financial statements as listed in the table of contents.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Solid Waste Authority of Palm Beach County, Florida, as of September 30, 2020 and 2019, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management’s discussion and analysis on pages 3 through 8, the other postemployment benefits schedules on page 66, and the pension schedules on pages 67 through 70 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management’s responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Solid Waste Authority of Palm Beach County, Florida’s basic financial statements. The introductory section and statistical section are presented for purposes of additional analysis and are not required part of the basic financial statements.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audits of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 8, 2021, on our consideration of the Solid Waste Authority of Palm Beach County, Florida’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 Solid Waste Authority of Palm Beach County, Florida’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 Solid Waste Authority of Palm Beach County, Florida’s internal control over financial reporting and compliance.

*Nowlen, Holt & Mimes, P.A.*

West Palm Beach, Florida  
February 8, 2021

## MANAGEMENT'S DISCUSSION AND ANALYSIS

The Management of the Solid Waste Authority of Palm Beach County (the "Authority") presents the readers of our financial statements the following narrative overview and analysis of the financial activities for the fiscal years ended September 30, 2020 and 2019. Please consider this information in conjunction with the additional information we have furnished in our letter of transmittal (beginning on page iv) and the accompanying financial statements (beginning on page 9).

### Financial Highlights

- The Authority's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) by approximately \$644.8 million, \$638.6 million and \$607.0 million at the close of fiscal years 2020, 2019 and 2018, respectively. Of these amounts, approximately \$103.3 million, \$117.0 million and \$109.7 million, respectively, are considered unrestricted and pursuant to the Authority's Trust Indenture are available for renewal and replacement of the solid waste system and capital improvements.
- The Authority's revenues and capital contributions exceeded expenses by \$6.1 million for fiscal year 2020. Details regarding the operations for 2020 are provided in our letter of transmittal. Revenues and capital contributions exceeded expenses by \$31.6 million and \$2.3 million for fiscal years 2019 and 2018, respectively.
- The Authority's aggressive capital renewal and expansion program is complete. Construction of the new mass burn facility that broke ground in 2012 was completed in July 2015. Entering its sixth year of operations, this facility will contribute to extending the useful life of its existing landfill through 2054. Net capital assets decreased by \$55.8 million in fiscal year 2020. The Authority's net capital assets decreased by 5.5% in 2019 and by 4.9% in 2018.
- The Authority's operating revenues increased from the prior year by approximately 1.8% and operating expenses increased by approximately 2.9%. The increase in revenue is primarily from increased assessments, due to the new Governing Board approved seven-year Mandatory Collections' Franchise Hauler contracts, that took effect in FY 2020, along with increased tipping fees. Likewise, much of the 2020 expense increase is due to the \$6.0 million increase in Franchise Hauler Contract Payments, also a result of the new contracts.

### Overview of the Financial Statements

The Solid Waste Authority of Palm Beach County is a single enterprise fund and presents its financial statements using the economic resources measurement focus and accrual basis of accounting which is the same measurement focus and basis of accounting employed by private-sector business enterprises. This discussion and analysis is intended to serve as an introduction to the Authority's basic financial statements, which include comparative Statements of Net Position, Statements of Revenues, Expenses, and Changes in Net Position, Statements of Cash Flows, and notes to the financial statements.

The Statements of Net Position present information on the Authority's assets, deferred outflows of resources, liabilities, and deferred inflows of resources. The difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is reported as net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

The Statements of Revenues, Expenses, and Changes in Net Position are the basic statements of activities for proprietary funds. These statements provide the user information on the Authority's operating revenues and expenses, non-operating revenues and expenses and whether the Authority's financial position has improved or deteriorated as a result of each year's operations.

The Statements of Cash Flows present the change in the Authority's cash and cash equivalents during each fiscal year. This information can assist the user of the report in determining how the Authority financed its activities and how it met its cash requirements.

The notes to the financial statements provide additional information that is essential to a full understanding of the data in the statements and can be found beginning on page 14 of this report.



## Summary of Net Position

As noted earlier, net position may serve over time as a useful indicator of the Authority's financial position. The Authority's total net position increased by \$6,148,154, \$31,607,069 and \$1,926,411 during fiscal years 2020, 2019 and 2018, respectively. A condensed summary of the Authority's net position for fiscal years 2020, 2019 and 2018 is presented below:

	2020	2019	2018
<b><u>Assets</u></b>			
<i>Current and Other Assets</i>	\$ 777,831,265	\$ 772,607,602	\$ 428,591,799
<i>Capital Assets</i>	1,040,219,563	1,096,015,950	1,159,768,756
<b>Total Assets</b>	<b>\$ 1,818,050,828</b>	<b>\$ 1,868,623,552</b>	<b>\$ 1,588,360,555</b>
<b><u>Deferred Outflows of Resources</u></b>	<b>\$ 26,737,833</b>	<b>\$ 27,250,375</b>	<b>\$ 30,935,084</b>
<b><u>Liabilities</u></b>			
<i>Noncurrent Liabilities</i>	\$ 1,110,656,667	\$ 1,172,201,895	\$ 906,474,102
<i>Other Liabilities</i>	88,396,858	82,798,685	103,029,332
<b>Total Liabilities</b>	<b>\$ 1,199,053,525</b>	<b>\$ 1,255,000,580</b>	<b>\$ 1,009,503,434</b>
<b><u>Deferred Inflows of Resources</u></b>	<b>\$ 945,684</b>	<b>\$ 2,232,049</b>	<b>\$ 2,757,976</b>
<b><u>Net Position</u></b>			
<i>Net Investment in Capital Assets</i>	\$ 443,189,473	\$ 432,584,867	\$ 414,221,581
<i>Restricted</i>	98,344,989	89,071,591	83,145,568
<i>Unrestricted</i>	103,254,990	116,984,840	109,667,080
<b>Total Net Position</b>	<b>\$ 644,789,452</b>	<b>\$ 638,641,298</b>	<b>\$ 607,034,229</b>

Net investment in capital assets (approximately 68.7%, 67.7% and 68.2% of the Authority's total net position at 2020, 2019 and 2018, respectively) represents the Authority's investment in capital assets (e.g., land, buildings, improvements, equipment and construction in progress), less the related outstanding indebtedness used to acquire those assets. The Authority uses these capital assets to provide services to its customers and consequently these assets are not available for future spending. Although the Authority's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since it is unlikely that the capital assets will be liquidated to pay liabilities.

An additional portion of the Authority's net position (approximately 15.3%, 13.9% and 13.7% of the Authority's total net position at 2020, 2019 and 2018, respectively) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of net position (approximately 16.0%, 18.3% and 18.1% of the Authority's total net position at September 30, 2020, 2019, and 2018, respectively) is considered unrestricted. However, the Authority is bound by its Trust Indenture that requires current period revenues be sufficient to cover current period operating expenses and 110% of current debt service. Therefore, the unrestricted balance in net position is not available for future operating expenditures, although it is available for renewal and replacement of the solid waste system and capital improvements.

## Summary of Revenues, Expenses and Changes in Net Position

A summary of revenues, expenses and changes in net position for the years ended September 30, 2020, 2019 and 2018 is presented below:

	2020	2019	2018
<b>Operating Revenues</b>			
Assessments	\$ 209,959,357	\$ 203,681,416	\$ 197,454,060
Tipping Fees	49,009,905	47,194,333	42,952,820
Electric Generation	40,393,171	43,621,461	39,538,930
Other Operating	10,567,603	9,908,626	12,407,696
Total Operating Revenue	<u>309,930,036</u>	<u>304,405,836</u>	<u>292,353,506</u>
<b>Operating Expenses</b>			
Franchise Hauler Contract Payments	48,063,110	42,101,202	34,843,659
Contract Payments to Plant Operators	72,970,449	71,167,005	67,781,566
Personnel Services	48,587,908	45,766,109	40,551,925
Depreciation and Amortization	62,681,112	66,532,810	65,735,367
Other Operating	42,167,269	41,129,755	74,778,098
Total Operating Expenses	<u>274,469,848</u>	<u>266,696,881</u>	<u>283,690,615</u>
Operating Income	<u>35,460,188</u>	<u>37,708,955</u>	<u>8,662,891</u>
<b>Non-Operating Revenues/Expenses</b>			
Investment Income	12,200,067	14,501,402	6,230,702
Grant Income	8,497	17,003,773	19,584,021
Other Income/Expenses	934,325	1,187,866	1,764,978
Interest Expense	<u>(42,454,923)</u>	<u>(39,619,843)</u>	<u>(34,256,745)</u>
Total Non-Operating Expense	<u>(29,312,034)</u>	<u>(6,926,802)</u>	<u>(6,677,044)</u>
<b>Income (Loss) Before Capital Contributions</b>	<u>6,148,154</u>	<u>30,782,153</u>	<u>1,985,847</u>
<b>Capital Contributions</b>	<u>-</u>	<u>824,916</u>	<u>300,564</u>
<b>Increase (Decrease) in Net Position</b>	6,148,154	31,607,069	2,286,411
<b>Net Position - 10/01</b>	638,641,298	607,034,229	605,107,818
<b>GASB 75 Restatement</b>	<u>-</u>	<u>-</u>	<u>(360,000)</u>
<b>Net Position - 09/30</b>	<u>\$ 644,789,452</u>	<u>\$ 638,641,298</u>	<u>\$ 607,034,229</u>

The Authority's net position increased during fiscal year 2020 by \$6,148,154. Net position increased by \$31,607,069 and \$2,286,411 in 2019 and 2018, respectively. The net position increase from the prior fiscal year is due to the following:

- Operating Revenue increased by \$5.5 million, mainly due to increased assessments from the new Franchise Hauler contracts, which took effect FY 2020, along with increased tipping fees.
- Franchise Hauler Contract Payments increased by \$6.0 million, also due the new contracts.
- Depreciation and Amortization expense decreased by \$3.9 million.
- Investment income decreased by \$2.3 million due to a weaker economy.
- Contract Payments to plant operators increased by \$1.8 million due to contractual rate increases.

Net position increased by \$2,286,411 in 2018 and decreased by \$3,994,437 in 2017. The net position increase in 2019 from the prior fiscal year was due to the following:

- Operating Revenue increased by \$12.1 million due to assessments, tipping fees and electrical generation.
- Other Operating Expense in 2019 decreased sharply because \$33.6 million of Hurricane Irma expenses were reported in 2018.
- Investment income increased by \$8.3 million due to the improving Treasury market.
- Franchise Hauler contract payments increased \$7.3 million due to one-year contract extensions for FY 2019.
- Contract Payments to plant operators increased by \$3.4 million.

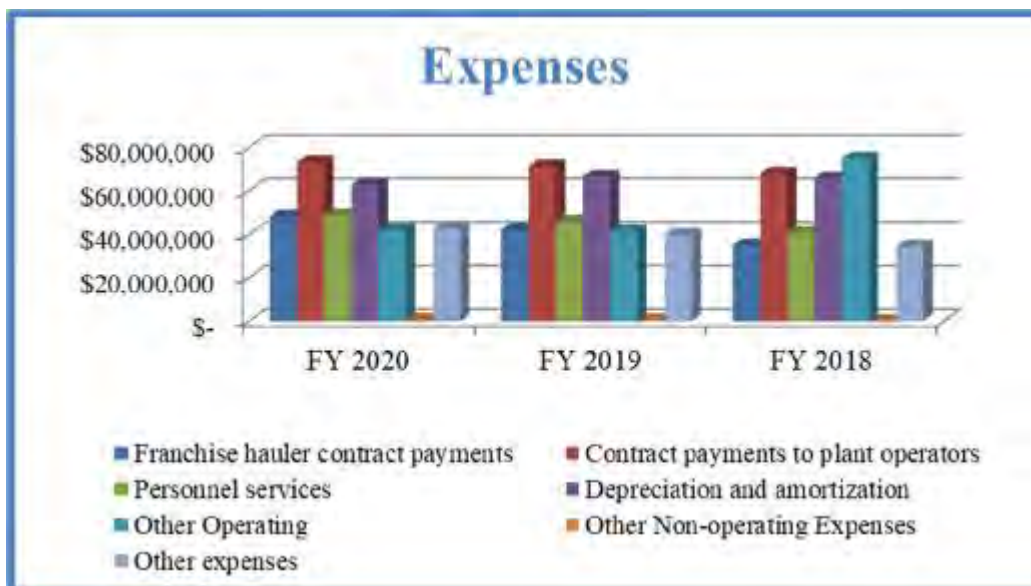
**Revenues by Source (Graph)**

The following graph shows the major sources of revenues for the years ended September 30, 2020, 2019, and 2018:



**Expenses by Source (Graph)**

The following graph shows the major expense categories for the years ended September 30, 2020, 2019, and 2018:



## Capital Assets

During fiscal year 2020, the Authority's net capital assets decreased approximately \$56 million due primarily to annual depreciation expense of \$63 million.

A summary of the 2020 capital asset acquisitions and disposals is as follows:

	<i>Balance 10/01/19</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance 09/30/20</i>
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Buildings	781,429,618	-	-	781,429,618
Improvements other than buildings	168,245,589	-	-	168,245,589
Equipment	763,008,254	5,731,655	(6,160,085)	762,579,824
Construction in Progress	286,664	1,153,070	-	1,439,734
<b>Total Assets</b>	<b>1,763,596,251</b>	<b>6,884,725</b>	<b>(6,160,085)</b>	<b>1,764,320,891</b>
<b>Accumulated Depreciation</b>	<b>(667,580,301)</b>	<b>(62,681,112)</b>	<b>6,160,085</b>	<b>(724,101,328)</b>
<b>Total Assets Less Depreciation</b>	<b>\$ 1,096,015,950</b>	<b>\$ (55,796,387)</b>	<b>\$ -</b>	<b>\$ 1,040,219,563</b>

During fiscal year 2019, the Authority's net capital assets decreased approximately \$64 million due primarily to annual depreciation expense of \$67 million.

A summary of the 2019 capital asset acquisitions and disposals is as follows:

	<i>Balance 10/01/18</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance 09/30/19</i>
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Buildings	781,429,618	-	-	781,429,618
Improvements other than buildings	168,245,589	-	-	168,245,589
Equipment	757,405,885	9,254,553	(3,652,184)	763,008,254
Construction in Progress	6,812,972	196,544	(6,722,852)	286,664
<b>Total Assets</b>	<b>1,764,520,190</b>	<b>9,451,097</b>	<b>(10,375,036)</b>	<b>1,763,596,251</b>
<b>Accumulated Depreciation</b>	<b>(604,751,434)</b>	<b>(66,532,810)</b>	<b>3,703,943</b>	<b>(667,580,301)</b>
<b>Total Assets Less Depreciation</b>	<b>\$ 1,159,768,756</b>	<b>\$ (57,081,713)</b>	<b>\$ (6,671,093)</b>	<b>\$ 1,096,015,950</b>

Additional information on the Authority's capital assets can be found in *Note E – Capital Assets*, in the notes to the financial statements.

## Long-Term Debt

At the close of fiscal year 2020, the Authority had \$985,080,000 in outstanding revenue bonds payable compared to \$1,048,045,000 outstanding at the close of fiscal year 2019, a decrease of 6.0%. On July 15, 2020, the Authority deposited approximately \$23.6 million of available reserve funds into an escrow account to defease \$22,975,000 of Taxable Series 2017 Refunding Revenue bonds maturing on October 1, 2021. This reduction in debt service for fiscal 2021 will benefit the Authority's rate payers, increase debt service coverage and provide budget flexibility in this period of economic uncertainty.

During fiscal year 2019, the Authority issued \$347,605,000 of federally taxable Refunding Revenue Bonds, Series 2019 to refinance a portion of the outstanding Refunding Revenue Bonds, Series 2011. The Series 2019 refunding bond issue features a crossover date of October 1, 2021 when, subject to prevailing federal income tax law at the crossover date, the Authority may convert the refunding bonds to tax exempt bonds. The Authority will realize net present value savings of approximately 5.1% if the refunding bonds remain taxable. Conversion to tax exempt status may yield net present values savings of approximately 10%. In connection with the 2019 Series refunding bond issue, the Authority executed an escrow deposit agreement with the Bond Trustee to hold the bond proceeds until the crossover date. The bond escrow account balance of \$342,814,716 that includes accrued interest is reported as a restricted net asset for fiscal year 2020.

A summary of the Authority's outstanding revenue bonds and note and related activity for the last two fiscal years is presented in the following tables:

	<i>Principal Balance 10/01/2019</i>	<i>Decreases &amp; Retirements</i>	<i>Increases</i>	<i>Principal Balance 09/30/20</i>
<i>Series 2009</i>	\$ 19,770,000	\$ 19,770,000	\$ -	\$ -
<i>Series 2011</i>	522,355,000	18,515,000	-	503,840,000
<i>Series 2015</i>	50,330,000	-	-	50,330,000
<i>Series 2017</i>	107,985,000	24,680,000	-	83,305,000
<i>Series 2019</i>	347,605,000	-	-	347,605,000
<b>Total Outstanding</b>	<b>1,048,045,000</b>	<b>62,965,000</b>	<b>-</b>	<b>985,080,000</b>
Unamortized Premium	34,186,032	3,137,187	-	31,048,845
<b>Revenue Bonds and Note Payable (Net)</b>	<b>\$ 1,082,231,032</b>	<b>\$ 66,102,187</b>	<b>\$ -</b>	<b>\$ 1,016,128,845</b>

	<i>Principal Balance 10/01/2018</i>	<i>Decreases &amp; Retirements</i>	<i>Increases</i>	<i>Principal Balance 09/30/9</i>
<i>Series 2008 Note</i>	\$ 40,000,000	\$ 40,000,000	\$ -	\$ -
<i>Series 2009</i>	39,475,000	19,705,000	-	19,770,000
<i>Series 2011</i>	539,105,000	16,750,000	-	522,355,000
<i>Series 2015</i>	50,330,000	-	-	50,330,000
<i>Series 2017</i>	107,985,000	-	-	107,985,000
<i>Series 2019</i>	-	-	347,605,000	347,605,000
<b>Total Outstanding</b>	<b>776,895,000</b>	<b>76,455,000</b>	<b>347,605,000</b>	<b>1,048,045,000</b>
Unamortized Premium	37,835,246	3,649,214	-	34,186,032
<b>Revenue Bonds and Note Payable (Net)</b>	<b>\$ 814,730,246</b>	<b>\$ 80,104,214</b>	<b>\$ 347,605,000</b>	<b>\$ 1,082,231,032</b>

Additional information on the Authority's long term debt can be found in *Note H – Revenue Bonds Payable* and *Note I – Changes in Noncurrent Liabilities* in the notes to the financial statements.

### Requests for Information

This financial report is designed to provide a general overview of the Authority's finances for all those interested. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Finance Officer, Solid Waste Authority of Palm Beach County, 7501 N. Jog Road, West Palm Beach, FL 33412 or by email to [pdumars@swa.org](mailto:pdumars@swa.org).

Sincerely,



Paul E. Dumars, Sr.  
Chief Finance Officer



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**STATEMENTS OF NET POSITION**

**September 30, 2020 and 2019**

**ASSETS**

	<u>09/30/2020</u>	<u>09/30/2019</u>
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 159,085,105	\$ 153,016,434
Accounts receivable, less allowance for doubtful accounts of \$174,781 for 2020 and \$197,003 for 2019	7,911,924	10,464,359
Accrued interest receivable	20,056	62,915
Due from Palm Beach County	2,450,497	2,440,203
Due from other Government	383,436	2,185,216
Inventory	2,985,727	2,952,355
Prepaid expenses	3,085,394	5,370,014
	<u>175,922,139</u>	<u>176,491,496</u>
Restricted assets:		
Cash and cash equivalents	137,644,730	129,799,377
Accrued interest receivable	4,343,403	4,756,096
	<u>141,988,133</u>	<u>134,555,473</u>
<b>TOTAL CURRENT ASSETS</b>	<u><b>317,910,272</b></u>	<u><b>311,046,969</b></u>
 <b>NONCURRENT ASSETS</b>		
Restricted assets:		
Cash and cash equivalents	117,072,474	114,744,625
Investments	342,814,716	346,782,205
	<u>459,887,190</u>	<u>461,526,830</u>
Capital assets:		
Land	50,626,126	50,626,126
Buildings	781,429,618	781,429,618
Improvements other than buildings	168,245,589	168,245,589
Equipment	762,579,824	763,008,254
Construction in progress	1,439,734	286,664
	<u>1,764,320,891</u>	<u>1,763,596,251</u>
Less accumulated depreciation	724,101,328	667,580,301
	<u>1,040,219,563</u>	<u>1,096,015,950</u>
Other assets		
Security deposits	33,803	33,803
<b>TOTAL NONCURRENT ASSETS</b>	<u><b>1,500,140,556</b></u>	<u><b>1,557,576,583</b></u>
 <b>TOTAL ASSETS</b>	<u><b>\$ 1,818,050,828</b></u>	<u><b>\$ 1,868,623,552</b></u>

**DEFERRED OUTFLOWS OF RESOURCES**

<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension related items	\$ 11,479,585	\$ 9,469,969
OPEB related items	321,000	23,000
Deferred loss on bond refunding, net	14,937,248	17,757,406
	<u>26,737,833</u>	<u>27,250,375</u>
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<u><b>\$ 26,737,833</b></u>	<u><b>\$ 27,250,375</b></u>

## LIABILITIES

	09/30/2020	09/30/2019
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 15,895,280	\$ 10,388,159
Accrued payroll and related liabilities	2,442,521	2,358,898
Accrued insurance claims payable	114,871	75,067
Due to Palm Beach County	101,888	121,224
Due to other Governments	509,882	520,790
Current portion of advance capacity payment	2,981,260	2,981,260
Other current liabilities	-	3,826
	22,045,702	16,449,224
Current liabilities payable from restricted assets		
Accounts payable	1,747,632	2,804,768
Contract retainage payable	52,455	132,265
Customer deposits	960,775	812,225
Accrued landfill closure and postclosure care costs	359,107	353,104
Accrued interest payable	21,316,187	22,257,099
Current maturities of revenue bonds payable	41,915,000	39,990,000
	66,351,156	66,349,461
<b>TOTAL CURRENT LIABILITIES</b>	<b>88,396,858</b>	<b>82,798,685</b>
<b>NONCURRENT LIABILITIES</b>		
Other postemployment benefits obligation	770,000	687,000
Compensated absences payable	5,732,863	5,163,835
Net pension liability	38,926,577	31,104,023
Accrued landfill closure and postclosure care costs payable from restricted assets	52,878,096	51,889,459
Advance capacity payment	38,135,286	41,116,546
Revenue bonds payable	974,213,845	1,042,241,032
<b>TOTAL NONCURRENT LIABILITIES</b>	1,110,656,667	1,172,201,895
<b>TOTAL LIABILITIES</b>	<b>\$ 1,199,053,525</b>	<b>\$ 1,255,000,580</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension related items	\$ 752,684	\$ 2,223,049
OPEB related items	193,000	9,000
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>\$ 945,684</b>	<b>\$ 2,232,049</b>
<b>NET POSITION</b>		
Net investment in capital assets	\$ 443,189,473	\$ 432,584,867
Restricted by bond covenants for		
Debt Service	41,915,428	40,074,547
Capital improvements	29,547,936	23,215,688
Operating reserve	26,881,625	25,781,356
Unrestricted	103,254,990	116,984,840
<b>TOTAL NET POSITION</b>	<b>\$ 644,789,452</b>	<b>\$ 638,641,298</b>

See notes to the financial statements

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITON**

**For the Fiscal Years Ended September 30, 2020 and 2019**

	<u>09/30/2020</u>	<u>09/30/2019</u>
<b>Operating revenues</b>		
Assessments	\$ 209,959,357	\$ 203,681,416
Tipping fees	49,009,905	47,194,333
Electric generation	40,393,171	43,621,461
Recycling income	8,609,874	8,131,321
Franchise fees	1,904,940	1,490,997
Other Revenue	52,789	286,308
	<u><b>309,930,036</b></u>	<u><b>304,405,836</b></u>
<b>Operating expenses</b>		
Franchise hauler contract payments	48,063,110	42,101,202
Contract payments to plant operators	72,970,449	71,167,005
Personnel services	48,587,908	45,766,109
Depreciation and amortization	62,681,112	66,532,810
Landsite expenses	4,833,151	5,604,347
Contractual services	15,039,740	13,265,101
Repairs and maintenance	4,945,588	4,267,797
Other expenses	17,348,790	17,992,510
	<u><b>274,469,848</b></u>	<u><b>266,696,881</b></u>
<b>OPERATING INCOME</b>	<b>35,460,188</b>	<b>37,708,955</b>
<b>Non-operating revenues (expenses)</b>		
Investment income	12,200,067	14,501,402
Miscellaneous income	468,027	580,754
Grant income	8,497	17,003,773
Gain on disposition of capital assets	1,001,471	927,182
Loss on extinguishment of debt	(535,173)	-
Debt issuance cost	-	(320,070)
Interest expense	(42,454,923)	(39,619,843)
	<u><b>(29,312,034)</b></u>	<u><b>(6,926,802)</b></u>
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	<u><b>6,148,154</b></u>	<u><b>30,782,153</b></u>
<b>Capital contributions</b>	<b>-</b>	<b>824,916</b>
<b>INCREASE (DECREASE) IN NET POSITION</b>	<b>6,148,154</b>	<b>31,607,069</b>
<b>NET POSITION AT BEGINNING OF YEAR</b>	<u><b>638,641,298</b></u>	<u><b>607,034,229</b></u>
<b>NET POSITION AT END OF YEAR</b>	<u><u><b>\$ 644,789,452</b></u></u>	<u><u><b>\$ 638,641,298</b></u></u>

See notes to the financial statements

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**STATEMENTS OF CASH FLOWS**

**For the Fiscal Years Ended September 30, 2020 and 2019**

	<b>09/30/2020</b>	<b>09/30/2019</b>
<b>Cash flows from operating activities:</b>		
Cash received from assessments	\$ 207,902,577	\$ 201,729,716
Cash received from customers	97,705,956	94,428,932
Cash received from Palm Beach County	4,013,338	3,964,710
Cash received from others	492,245	830,766
Cash paid to suppliers and contractors	(150,370,413)	(149,793,049)
Cash paid to employees	(43,623,684)	(41,443,861)
Cash paid to Palm Beach County for goods and services	(4,078,294)	(4,806,469)
<b>Net cash provided by operating activities</b>	<b>112,041,725</b>	<b>104,910,745</b>
<b>Cash flows from non-capital financing activities</b>		
Principal paid on short term debt	-	(28,658,702)
Interest paid on short term debt	-	(261,957)
Grant revenues received	1,810,277	34,402,578
<b>Net cash used by non-capital financing activities</b>	<b>1,810,277</b>	<b>5,481,919</b>
<b>Cash flows from capital and related financing activities</b>		
Acquisition and construction of capital assets	(8,021,671)	(5,539,246)
Proceeds from the sale of capital assets	1,001,471	952,855
Capital contributions received	-	824,916
Payment to escrow agent for early extinguishment of debt	(23,649,756)	-
Proceeds from bond issuance	-	347,605,000
Bond issuance costs	-	(320,070)
Principal paid on notes payable	-	(40,000,000)
Principal paid on outstanding revenue bonds	(39,990,000)	(36,455,000)
Interest paid on revenue bonds and other obligations	(43,573,281)	(35,019,397)
<b>Net cash used for capital and related financing activities</b>	<b>(114,233,237)</b>	<b>232,049,058</b>
<b>Cash flows from investing activities</b>		
Purchase of investments	-	(348,227,180)
Proceeds from sales / maturities of investments	3,967,489	1,444,975
Interest received on investments	12,655,619	10,077,531
<b>Net cash provided by investing activities</b>	<b>16,623,108</b>	<b>(336,704,674)</b>
<b>Net increase in cash and cash equivalents</b>	<b>16,241,873</b>	<b>5,737,048</b>
<b>Cash and cash equivalents - beginning</b>	<b>397,560,436</b>	<b>391,823,388</b>
<b>Cash and cash equivalents - ending</b>	<b>\$ 413,802,309</b>	<b>\$ 397,560,436</b>
Cash and cash equivalents - Unrestricted	\$ 159,085,105	\$ 153,016,434
Restricted cash and cash equivalents - current	137,644,730	129,799,377
Restricted cash and cash equivalents - noncurrent	117,072,474	114,744,625
	<b>\$ 413,802,309</b>	<b>\$ 397,560,436</b>

(Continued)

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**STATEMENTS OF CASH FLOWS**

**For the Fiscal Years Ended September 30, 2020 and 2019**

**(Continued)**

	<u>09/30/2020</u>	<u>09/30/2019</u>
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>		
Operating income	\$ 35,460,188	\$ 37,708,955
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization	62,681,112	66,532,810
Construction in process disposals	-	5,232,404
Provision for doubtful accounts	(22,222)	19,156
Miscellaneous income	468,027	580,754
Change in net pension liability and related deferred amounts	4,342,573	3,850,965
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	2,574,657	(1,060,528)
(Increase) decrease in due from Palm Beach County	(10,294)	(255,536)
(Increase) decrease in inventory	(33,372)	(68,954)
(Increase) decrease in prepaid expenses	2,284,620	(3,105,622)
Increase (decrease) in accounts payable	5,496,213	1,302,891
Increase (decrease) in accrued payroll and related liabilities	88,580	237,496
Increase (decrease) in accrued insurance claims payable	39,804	(3,270)
Increase (decrease) in due to Palm Beach County	(19,336)	(230,271)
Increase (decrease) in advance capacity payment	(2,981,260)	(2,981,260)
Increase (decrease) in other current liabilities	(3,826)	(53,771)
Increase (decrease) in customer deposits	148,550	38,639
Increase (decrease) in other post employment benefits obligation	(31,000)	(44,000)
Increase (decrease) in accrued compensated absences	564,071	277,787
Increase (decrease) in accrued landfill closure and postclosure care costs	994,640	(3,067,900)
Total adjustments	<u>76,581,537</u>	<u>67,201,790</u>
<b>Net cash provided by operating activities</b>	<b><u>\$112,041,725</u></b>	<b><u>\$104,910,745</u></b>
<b>Supplemental disclosure of noncash capital and related financing activities</b>		
Amortization of premium on bonds	<u>\$ 3,137,187</u>	<u>\$ 3,649,214</u>
Amortization of advance refunding loss on bonds	<u>\$ 2,820,158</u>	<u>\$ 2,693,290</u>

See notes to the financial statements



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The Solid Waste Authority of Palm Beach County (the “Authority”) is a dependent special district created by the Florida Legislature under the Palm Beach County Solid Waste Act, Chapter 75-473, Laws of Florida, Special Acts of 1975, as amended and supplemented (the “Act”). The Authority is governed by a seven-member board, consisting of the Board of County Commissioners of Palm Beach County, Florida (the “County”). The Act gives the Authority the power to construct and operate solid waste disposal facilities sufficient to effectively manage all solid waste generated in Palm Beach County. Additionally, the Act provides the Authority with the jurisdiction to collect waste throughout the unincorporated areas of the County, which is handled by private haulers under contract with the Authority.

Financial Reporting Entity: In evaluating the Authority for financial reporting purposes, management has considered whether or not to include potential component units in the reporting entity based on the criteria set forth in U.S. generally accepted accounting principles (GAAP). As defined by GAAP, the financial reporting entity consists of (a) the primary government, (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the primary government is not accountable, but for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity’s financial statements to be misleading or incomplete. The Authority found that the only entity to consider when applying the above criteria was Palm Beach County, Florida. The Board of County Commissioners of Palm Beach County is the governing Board of the Authority and is financially accountable for the operations of the Authority. Accordingly, the Authority is considered a component unit of Palm Beach County, Florida.

Basis of Presentation: The financial activities of the Authority are accounted for in a single enterprise fund that reports the operations of the solid waste system, which is financed primarily by tipping fees and non-ad valorem assessments to property owners in Palm Beach County. The solid waste system includes landfills, transfer stations and resource recovery facilities located in Palm Beach County. Solid waste collection services are provided by local municipalities and private companies.

Basis of Accounting: The Authority’s single enterprise fund is accounted for using the accrual basis of accounting. Revenues are recognized when earned, and expenses are recognized when they are incurred.

Measurement Focus: The Authority’s single enterprise fund is accounted for on a cost of service or “economic resources” measurement focus. This means that assets and all activities are included on the statements of net position. Operating statements present increases (revenues) and decreases (expenses) in net total position. The financial statements distinguish *operating* revenues and expenses from *nonoperating* items. Operating revenues and expenses generally result from providing services and producing and delivering services in connection with the Authority’s principal ongoing operations. The principal operating revenues of the Authority are charges to residents and customers for waste collection and disposal and the revenues from the sale of processed waste materials. Operating expenses include the cost of waste collection, disposal and processing services, administrative expenses and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgets: The Authority adopts an annual, operating budget as a financial plan for the year, pursuant to the legal requirements of the Authority's bond documents. The budget is adopted by the governing Board as an operating plan and budgetary basis financial statements are not presented because there is no legal requirement to report budgetary basis financial information.

Cash, Cash Equivalents and Investments: Cash and cash equivalents consist of petty cash, deposits in non-interest-bearing checking accounts, money market mutual funds, and investments with Florida Prime managed by the State of Florida, State Board of Administration. All money market mutual funds are registered as a 2a-7 fund with the SEC and reported at amortized cost. Amortized cost is considered fair value for the money market mutual funds. Deposits in Florida Prime are generally available for withdrawal by the Authority on a next day basis and are therefore considered cash equivalents. Florida Prime is an external investment pool administered by the State of Florida, that meets the requirements of GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which allows reporting the investment at amortized cost and the fair value of the shares in the pool is the same as the Authority's investment in the pool shares.

For purposes of determining cash equivalents, the Authority has defined its policy concerning the treatment of short-term investments to include investments with a maturity of three months or less when purchased, as cash equivalents if management does not plan to reinvest the proceeds. Short-term investments that management intends to rollover into similar investments are considered part of the investment portfolio and are classified as investments.

Accounts Receivable: Accounts receivable are composed of monthly billings for tipping fees, recycled products and electricity; annual billings for assessments to property owners in Palm Beach County; and other immaterial balances. Tipping fees are collateralized by a cash deposit or surety bond approximating 60 days' billing. Assessment billings included on property tax bills are collateralized by a property tax lien. All other accounts receivable are uncollateralized.

Inventory: Inventory consists of equipment spare parts and fill material and is stated at cost on a moving average basis.

Capital Assets: Capital assets are defined by the Authority as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets are recorded at cost or, if donated, acquisition value at the date of donation. Expenses, which materially extend the useful life of existing assets, are capitalized. Certain costs for professional services and interest associated with the acquisition and construction of capital assets are capitalized. The cost of capital assets sold or retired is removed from the appropriate accounts and any resulting gain or loss is included in the change in net position.

Depreciation of capital assets is computed using the straight-line method over the estimated useful lives of the assets, which are summarized as follows:

Buildings	25 – 40 years
Improvements other than buildings	25 – 40 years
Furniture, fixtures and equipment	3 – 10 years

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Restricted Assets: Restricted assets of the Authority represent bond proceeds restricted for construction, and other amounts legally required by the Authority's bond covenants and trust indenture to be set aside for debt service, customer deposits, operations, renewal and replacement and capital improvements. Restricted resources are used first to fund expenses incurred for restricted purposes.

Deferred Outflow of Resources: In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a usage of net position that applies to a future period(s) and thus, will not be recognized as an outflow of resources (expense) until that time. The Authority has three items that qualify for reporting in this category. The first is the deferred amount on bond refunding. The deferred loss on bond refunding is being amortized, using the proportionate-to-stated-interest method. The second is deferred pension items in connection with the Retirement System. The third is deferred OPEB items in connection to Other Post-Employment Benefits.

Deferred Inflow of Resources: In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Authority has two items that qualify for reporting in this category. The first is deferred pension items in connection with the Retirement System. The second is deferred OPEB items in connection to Other Post-Employment Benefits.

Customer Deposits: The liability for customer deposits represents cash deposits held as collateral by the Authority on behalf of credit customers.

Compensated Absences: Authority employees accumulate unused vacation and sick leave within certain limitations. Accumulated vacation and sick leave are payable to employees upon termination or retirement based on policy in the employee manual. The Authority accrues unused vacation and sick leave and related taxes and benefits on the statements of net position as noncurrent liabilities, less the current portion reported with accrued payroll and related liabilities.

Advance Capacity Payment: In October 2011, in conjunction with the Authority's plans to construct its Renewable Energy Facility #2 (REF #2), the Authority entered into an Agreement for the Purchase of Firm Capacity and Energy with Florida Power & Light (FPL). Under the terms of the agreement, the Authority will sell all energy and capacity in excess of its internal consumption needs to FPL. The initial term of the agreement runs through June 1, 2034. As part of the Agreement, the Authority received an Advance Capacity Payment (the "Payment") in the amount of \$56,643,942 in January 2014. This Payment will be earned over the term of the Agreement based on energy production. In addition, portions of the Payment may be required to be refunded in the event that certain production capacity thresholds are not met. The Payment has been treated as unearned revenue subject to pro-rata amounts being earned. The amount earned in 2020 and 2019 was \$2,981,260. The amount to be earned in 2021 of \$2,981,260 is included in current liabilities.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Net Position: The financial statements utilize a net position presentation. Net position is categorized as:

*Net Investment in Capital Assets* – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balance of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent, related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

*Restricted* – This component of net position consists of constraints placed on the use of net position by external restrictions imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* – This component of net position consists of elements of net position that do not meet the definition of *Net Investment in Capital Assets* or *Restricted*.

Ad Valorem Taxes: The Authority receives no ad valorem property tax revenues, but does levy an annual assessment on all properties in Palm Beach County for waste disposal costs and an annual assessment on all properties in unincorporated Palm Beach County for waste collection costs.

Revenue Recognition: Revenue from tipping fees is recognized when the service is provided for customers using the Authority's facilities. Credit customers are billed monthly and non-credit customers pay at the transfer station, landfill or resource recovery facility. Revenues from non-ad valorem assessments are recognized when received.

Amortization: Premiums and discounts on long-term debt are amortized on the straight-line method over the life of the related debt issues. Losses on advance refundings are amortized using the proportionate-to-stated-interest method for the related debt issue.

Landsite Expenses: Landsite expenses include amortization of the cost to design and construct landfill "cells" on property permitted and approved as a landfill site. The design and construction costs for each cell are recorded as capital assets and amortized to expense evenly over the estimated useful life of the cells. Landsite expenses also include accruals for landfill closure and postclosure care costs based on the landfill capacity used in each year and expenses related to end use facilities and operations.

Capital Contributions: The Authority constructed a Biosolids Pelletization Facility with other participating local governments. Occasionally this facility requires capital improvements, which are funded by capital contributions by the participating local governments.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Implementation of GASB Statements: The Authority implemented the following GASB Statements during the fiscal year ended September 30, 2020:

- GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement is effective immediately and postpones the effective dates of various standards and implementation guides, including Statements No. 84, 87, 90, 91, 92, and 93 discussed below. The effective dates presented below for these Statements are the extended effective dates in accordance with Statement No. 95.

Recent Accounting Pronouncements: The Governmental Accounting Standards Board has also issued new Statements effective in future years. Management has not completed its analysis of the effects, if any, of these GASB statements on the financial statements of the Authority:

- GASB issued Statement No. 84, *Fiduciary Activities*. This Statement will improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for the fiscal year ending September 30, 2021.
- GASB Statement No. 87, *Leases*. This Statement will increase the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting that is based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement is effective for the fiscal year ending September 30, 2022.
- GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset. This Statement is effective for the fiscal year ending September 30, 2022.
- GASB issued Statement No. 90, *Major Equity Interests*. This Statement will improve consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement is effective for the fiscal year ending September 30, 2021.
- GASB Statement No. 91, *Conduit Debt Obligation*. This Statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with commitments extended by issuers, arrangements associated with conduit debt obligations, and related note disclosures. This Statement is effective for the fiscal year ending September 30, 2023.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

- GASB Statement No. 92, *Omnibus 2020*. This Statement will enhance comparability in accounting and financial reporting and improve the consistency of authoritative literature by addressing practice issues that have been identified during the implementation and application of certain GASB Statements. This Statement addresses a variety of topics. The requirements of this Statement related to the effective date of Statement No. 87 and Implementation Guide 2019-3, reinsurance recoveries, and terminology used to refer to derivative instruments are effective upon issuance. The remaining requirements are effective for the fiscal year ending September 30, 2022.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*. This Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature by addressing the accounting and financial reporting implications that result from the replacement of an Interbank Offered Rate (IBOR) for agreements in which variable payments made or received depend on an IBOR. The requirements of this Statement related to the removal of LIBOR as an appropriate benchmark interest rate are effective for the fiscal year ending September 30, 2022. The remaining requirements are effective for the fiscal year ending September 30, 2021.
- GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. This Statement will improve financial reporting by establishing the definitions of public-private and public-public partnership arrangements (PPPs) and availability payment arrangements (APAs) and providing uniform guidance on accounting and financial reporting for transactions that meet those definitions. This Statement is effective for the fiscal year ending September 30, 2023.
- GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement is effective for the fiscal year ending September 30, 2023.
- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The requirements of this Statement will result in more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. This Statement is effective for the fiscal year ending September 30, 2022.

Estimates: Management uses estimates and assumptions in preparing financial statements in accordance with U.S. generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could vary from the estimates that were used.

Reclassifications: Certain accounts in the prior year information have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE B - CASH AND INVESTMENTS

Cash and Cash Equivalents: The bank balance and carrying value of the Authority's cash and cash equivalents, including restricted balances, were as follows at September 30, 2020 and 2019:

	2020	2019
Bank balance of deposits with financial institutions (including customer deposits)	\$ 14,548,488	\$ 16,997,929
Carrying value		
Deposits with financial institutions	\$ 14,617,384	\$ 11,377,151
Petty cash and cash drawers	11,200	11,200
Money market mutual funds	226,905,847	217,999,364
Florida Prime	172,267,878	168,172,721
Total cash and cash equivalents	\$ 413,802,309	\$ 397,560,436

The deposits with financial institutions were entirely covered by a combination of federal depository insurance and a collateral pool pledged to the State Treasurer of Florida by financial institutions that comply with the requirements of Florida Statutes and have been designated as a qualified public depository by the State Treasurer. Qualified public depositories are required to pledge collateral to the State Treasurer with a fair value equal to a percentage of the average daily balance of all government deposits in excess of any federal deposit insurance. In the event of a default by a qualified public depository, all claims for government deposits would be satisfied by the State Treasurer from the proceeds of federal deposit insurance, pledged collateral of the public depository in default and, if necessary, a pro rata assessment to the other qualified public depositories in the collateral pool. Accordingly, all deposits with financial institutions are considered fully insured in accordance with pronouncements of the Governmental Accounting Standards Board.

The money market mutual funds consist of investments with financial institutions in open end, institutional, money market funds complying with Securities and Exchange Commission (SEC) Rule 2a7 and investing only in U.S. Government and Agency. Rule 2a7 allows SEC registered mutual funds to use amortized cost rather than fair value to report net assets used to compute share prices if certain conditions are met. Those conditions include restrictions on the types of investments held, restrictions on the term-to-maturity of individual investments and the dollar-weighted average of the portfolio, requirements for portfolio diversification, and requirements for divestiture considerations in the event of security downgrades and defaults, and required actions if the fair value of the portfolio deviates from amortized cost by a specified amount.

The investment in Florida Prime consists of equity in an external, investment pool managed by the State of Florida that was available to be withdrawn by the Authority on an overnight basis. Florida Prime meets the requirements with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, which allows reporting the investment at amortized cost. The fair value of the position in Florida Prime was considered to be the same as the Authority's account balance (amortized cost) in the pool. The money market mutual funds and Florida Prime are classified as cash equivalents in the statements of net position and statements of cash flows.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE B - CASH AND INVESTMENTS (Continued)

Investments: Florida Statutes and Authority policy authorize investments in Florida administered by the State; negotiable direct obligations of or obligations unconditionally guaranteed by the U.S. Government; interest-bearing time deposits or savings accounts in financial institutions located in Florida and organized under federal or Florida laws; obligations of the Federal Farm Credit Banks, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank or its district banks; obligations guaranteed by Ginnie Mae; obligations of Fannie Mae; SEC registered money market mutual funds with the highest credit quality rating; mutual funds limited to U.S. Government securities; interest rate swaps, interest rate exchange agreements, investment contracts, or contracts providing for payments based on levels of or changes in interest rates, or contracts to exchange cash flows, a series of payments, or to hedge payment rate, spread or similar exposure; and, repurchase agreements fully collateralized by SEC registered money market mutual funds with the highest credit quality ratings.

The Authority's bond resolutions authorize the investment of bond proceeds in obligations of certain federal government agencies or obligations guaranteed by those agencies; obligations of the United States Government or obligations guaranteed by the United States Government; guaranteed investment contracts meeting certain restrictions; or certain certificates of deposit, repurchase agreements, and investments that are insured or collateralized and otherwise permitted by Florida law. The Authority holds Treasury Securities – State and Local Government Series (“SLGS”) issues that are reported at historical cost (face value). U.S. Treasury SLGS were issued to meet the debt service requirements of Refunding Revenue Bonds, Series 2019 until the crossover date of October 1, 2021, see Note I. There is no market for these securities as they may only be redeemed at the U.S. Department of Treasury on or before their stated maturity date at face value plus accrued interest.

GASB Statement No. 72, *Fair Value Measurement and Application*, requires governments to disclose the fair value hierarchy for each type of asset or liability measured at fair value in the notes to the financial statements. The standard also requires governments to disclose a description of the valuation techniques used in the fair value measurement and any significant changes in valuation techniques. GASB 72 establishes a three-tier fair value hierarchy. The hierarchy is based on valuation inputs used to measure the fair value as follows:

- Level 1: Inputs are directly observable, quoted prices in active markets for identical assets or liabilities.
- Level 2: Inputs are other than quoted prices included within Level 1 that are for the asset or liability, either directly or indirectly. These inputs are derived from or corroborated by observable market data through correlation or by other means.
- Level 3: Inputs are unobservable inputs used only when relevant Level 1 and Level 2 inputs are unavailable.

The level in which an asset is assigned is not indicative of its quality but an indication of the source of valuation inputs.

Money market mutual funds and Florida Prime are exempt from the GASB 72 fair value hierarchy disclosures.



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE B - CASH AND INVESTMENTS (Continued)

Investments (Continued)

The fair value of the Authority's investments, including unrestricted and restricted asset balances at September 30, 2020 and 2019 are as follows:

	September 30, 2020	
	Weighted Average Maturity	Fair Value
Investments Reported at Historic Cost:		
U.S. Treasury SLGS	0.99 years	\$ 342,814,716
Investments Reported at Amortized Cost:		
Cash equivalents:		
Money market mutual funds	90 days or less	\$ 226,905,847
Florida Prime	48 days	172,267,878
		\$ 399,173,725
Total Investments		\$ 741,988,441
	September 30, 2019	
	Weighted Average Maturity	Fair Value
Investments Reported at Historic Cost:		
U.S. Treasury SLGS	1.97 years	\$ 346,782,205
Investments Reported at Amortized Cost:		
Cash equivalents:		
Money market mutual funds	90 days or less	\$ 217,999,364
Florida Prime	37 days	168,172,721
		\$ 386,172,085
Total Investments		\$ 732,954,290

Custodial Credit Risk: Custodial credit risk is defined as the risk that the Authority may not recover the securities held by another party in the event of a financial failure. The Authority's investment policy for custodial credit risk requires all investment securities to be held in the Authority's name by a third-party safekeeping institution. All deposits with financial institutions are considered fully insured or collateralized pursuant to the custodial credit risk categories of GASB pronouncements. The investments in money market mutual funds and Florida Prime are considered *unclassified* pursuant to the custodial credit risk categories of GASB pronouncements.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE B - CASH AND INVESTMENTS (Continued)

Investments (Continued)

**Interest Rate Risk:** Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The money market mutual funds and Florida Prime have a weighted average maturity of less than 90 days, resulting in minimal interest rate risk. U.S. Treasury SLGS are fixed income securities and are intended to be held to maturity.

**Credit Risk:** Credit risk is the risk that an issuer will not fulfill its obligations. The Authority's investment policy addresses credit risk by limiting allowable investments to the SBA Florida Prime investment pool, deposits with a financial institution meeting the requirements of a Florida qualified public depository, securities guaranteed by the U.S. Government, or investments that are otherwise fully collateralized or secured. The credit quality rating by a Nationally Recognized Statistical Rating Organization (NRSRO) is also an indication of credit risk.

The credit quality ratings of the investments held at September 30, 2020 and 2019 are as follows:

	September 30, 2020		
	Credit Quality Ratings		
	S&P Rating	Moody's Rating	Fair Value
Investments:			
U.S. Treasury SLGS	AA+	Aaa	\$ 342,814,716
Money market mutual funds	AAAm	Aaa-mf	226,905,847
Florida Prime	AAAm	Not Rated	172,267,878
Total Investments			\$ 741,988,441
	September 30, 2019		
	Credit Quality Ratings		
	S&P Rating	Moody's Rating	Fair Value
Investments:			
U.S. Treasury SLGS	AA+	Aaa	\$ 346,782,205
Money market mutual funds	AAAm	Aaa-mf	217,999,364
Florida Prime	AAAm	Not Rated	168,172,721
Total Investments			\$ 732,954,290

**Concentration of Credit Risk:** Concentration of credit risk is defined as the risk of loss attributed to the magnitude of an investment in a single issuer. The Authority's investment policy addresses the concentration of credit risk by limiting the maximum amount that may be invested in certain investments and in any one issuer, except for investments in Florida Prime, U.S. Treasury obligations and money market mutual funds which are not limited. Time and savings deposits are limited to 20% of the portfolio value, but no more than 5% per issuer. U.S. Government Agency and Instrumentality securities are limited to 40% of the portfolio value. Guaranteed investment contracts are limited to the total debt service reserve balance. Interest rate swap and repurchase agreements are generally limited to 50% of the portfolio fair value and must be fully collateralized or otherwise insured.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE B - CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk (Continued)

The Authority was in compliance with these limitations at September 30, 2020 and 2019. At September 30, 2020 and 2019 certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

	September 30, 2020		September 30, 2019	
	Fair Value	Percentage of Total Investment Portfolio	Fair Value	Percentage of Total Investment Portfolio
U.S. Treasury SLGS	\$ 342,814,716	45.3%	\$ 346,782,205	46.6%
Florida Prime	172,267,878	22.8%	168,172,721	22.6%
Money market mutual funds				
Dreyfus Government	174,318,983	23.0%	171,001,043	23.0%
Fidelity Government	52,586,864	7.0%	46,998,321	6.3%

Foreign Currency Risk: Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment. There was no exposure to foreign currency risk in the Authority's investments at September 30, 2020 and 2019.

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable and the related allowance for doubtful accounts at September 30, 2020 and 2019 are summarized as follows:

September 30, 2020	Gross Accounts Receivable	Allowance For Doubtful Accounts	Net Accounts Receivable
Tipping fees	\$ 4,018,935	\$ (102,516)	\$ 3,916,419
Electric generation	2,700,000	-	2,700,000
Recycling	373,976	(61,630)	312,346
Miscellaneous	993,794	(10,635)	983,159
	\$ 8,086,705	\$ (174,781)	\$ 7,911,924

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE C - ACCOUNTS RECEIVABLE (Continued)

<u>September 30, 2019</u>	<u>Gross Accounts Receivable</u>	<u>Allowance For Doubtful Accounts</u>	<u>Net Accounts Receivable</u>
Assessments	\$ 10,699	\$ (535)	\$ 10,164
Tipping fees	3,481,786	(129,942)	3,351,844
Electric generation	2,861,011	-	2,861,011
Recycling	454,029	(55,891)	398,138
Miscellaneous	3,853,837	(10,635)	3,843,202
	<u>\$ 10,661,362</u>	<u>\$ (197,003)</u>	<u>\$ 10,464,359</u>

NOTE D - RESTRICTED ASSETS

Restricted assets consist of the following amounts at September 30, 2020 and 2019, held in the various accounts established by the Authority's bond documents:

<u>September 30, 2020</u>	<u>Cash, Cash Equivalents and Investments</u>	<u>Accrued Interest Receivable</u>	<u>Total</u>
Operating Account			
Customer deposits	\$ 960,775	\$ -	\$ 960,775
Debt Service Accounts			
Debt Service Reserve	76,442,178	628	76,442,806
Interest Account	14,972,402	104	14,972,506
Principal Account	41,915,000	318	41,915,318
Series 2019 Bond Escrow Account	342,814,716	4,319,567	347,134,283
Operating Reserve Account	26,859,471	22,154	26,881,625
Renewal and Replacement			
Reserve Account	18,329,225	48	18,329,273
Landfill Management Escrow	40,989,403	337	40,989,740
Capital Improvement Account	13,018,678	72	13,018,750
2009 Construction Account	6,448,404	53	6,448,457
2011 Project Account	14,781,668	122	14,781,790
	<u>\$ 597,531,920</u>	<u>\$ 4,343,403</u>	<u>\$ 601,875,323</u>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE D - RESTRICTED ASSETS (Continued)

September 30, 2019	Cash, Cash Equivalents and Investments	Accrued Interest Receivable	Total
Operating Account			
Customer deposits	\$ 812,225	\$ -	\$ 812,225
Debt Service Accounts			
Debt Service Reserve	76,442,178	120,755	76,562,933
Interest Account	15,913,314	23,470	15,936,784
Principal Account	39,990,000	61,071	40,051,071
Series 2019 Bond Escrow Account	346,782,205	4,375,141	351,157,346
Operating Reserve Account	25,732,413	48,943	25,781,356
Renewal and Replacement			
Reserve Account	16,665,592	19,138	16,684,730
Landfill Management Escrow	38,655,551	61,054	38,716,605
Capital Improvement Account	9,394,602	12,235	9,406,837
2009 Construction Account	5,749,176	9,395	5,758,571
2011 Project Account	15,188,951	24,894	15,213,845
	<u>\$ 591,326,207</u>	<u>\$ 4,756,096</u>	<u>\$ 596,082,303</u>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE E - CAPITAL ASSETS

The changes in capital assets of the Authority for the years ended September 30, 2020 and 2019 are summarized as follows:

September 30, 2020	Balance at Beginning of Year	Increases	Decreases	Balance at End of Year
Non-depreciable capital assets				
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Construction in progress	286,664	1,153,070	-	1,439,734
Total non-depreciable capital assets	50,912,790	1,153,070	-	52,065,860
Depreciable capital assets				
Buildings	781,429,618	-	-	781,429,618
Improvements other than buildings	168,245,589	-	-	168,245,589
Equipment	763,008,254	5,731,655	(6,160,085)	762,579,824
Total depreciable capital assets	1,712,683,461	5,731,655	(6,160,085)	1,712,255,031
Total capital assets	1,763,596,251	6,884,725	(6,160,085)	1,764,320,891
Less accumulated depreciation				
Buildings	(327,872,305)	(26,502,716)	-	(354,375,021)
Improvements	(78,737,276)	(5,718,221)	-	(84,455,497)
Equipment	(260,970,720)	(30,460,175)	6,160,085	(285,270,810)
	(667,580,301)	(62,681,112)	6,160,085	(724,101,328)
Depreciable assets, net of accumulated depreciation	1,045,103,160	(56,949,457)	-	988,153,703
Total capital assets, net of accumulated depreciation	\$ 1,096,015,950	\$ (55,796,387)	\$ -	\$ 1,040,219,563

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE E - CAPITAL ASSETS (Continued)

September 30, 2019	Balance at Beginning of Year	Increases	Decreases	Balance at End of Year
Non-depreciable capital assets				
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Construction in progress	6,812,972	196,544	(6,722,852)	286,664
Total non-depreciable capital assets	57,439,098	196,544	(6,722,852)	50,912,790
Depreciable capital assets				
Buildings	781,429,618	-	-	781,429,618
Improvements other than buildings	168,245,589	-	-	168,245,589
Equipment	757,405,885	9,254,553	(3,652,184)	763,008,254
Total depreciable capital assets	1,707,081,092	9,254,553	(3,652,184)	1,712,683,461
Total capital assets	1,764,520,190	9,451,097	(10,375,036)	1,763,596,251
Less accumulated depreciation				
Buildings	(301,129,709)	(26,742,596)	-	(327,872,305)
Improvements	(73,013,969)	(5,723,307)	-	(78,737,276)
Equipment	(230,607,756)	(34,066,907)	3,703,943	(260,970,720)
	(604,751,434)	(66,532,810)	3,703,943	(667,580,301)
Depreciable assets, net of accumulated depreciation	1,102,329,658	(57,278,257)	51,759	1,045,103,160
Total capital assets, net of accumulated depreciation	\$ 1,159,768,756	\$ (57,081,713)	\$ (6,671,093)	\$ 1,096,015,950

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE F - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Authority operated one active landfill site for the years ended September 30, 2020 and 2019. In addition, the Authority is responsible for two landfill sites closed after 1991 and three landfill sites closed prior to 1991. State and federal laws and regulations require the Authority to place a final cover on its operating landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at that and other landfill sites closed after 1991, for thirty years after closure. Although the majority of closure and postclosure care costs will be paid near or after the date that the operating landfill stops accepting waste, the Authority reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each statement of net position date.

Landfill closure and postclosure care liabilities at September 30, 2020 and 2019, are as follows:

	2020	2019
Accrued closure and postclosure care costs	\$ 51,441,666	\$ 50,123,939
Accrued postclosure care for closed landfills	1,795,537	2,118,624
Total accrued landfill closure costs	\$ 53,237,203	\$ 52,242,563

The \$51,441,666 and \$50,123,939 of accrued closure and postclosure care liabilities at September 30, 2020 and 2019, respectively, represent the cumulative cost based on the use of 47.7% and 47.3% of the estimated capacity of the operating landfill. The Authority will recognize the remaining estimated cost of closure and postclosure care of approximately \$76.1 million for the operating landfill as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2020. Based on current demographic information and engineering estimates of landfill consumption, the Authority expects to close the landfill in approximately 2054. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Authority is required by state laws and regulations to make annual contributions to an escrow account to finance all closure costs and one year of postclosure care for landfills closed after 1991. The Authority is in compliance with these requirements, and at September 30, 2020 and 2019, cash and cash equivalents of \$40,989,403 and \$38,655,551, respectively, were held for these purposes. These amounts are reported as noncurrent restricted assets on the statements of net position. The Authority expects that future inflation costs will be paid from interest earnings on these invested amounts and subsequent annual contributions. However, if interest earnings are inadequate or additional closure or postclosure care requirements are determined (due to changes in technology or applicable laws or regulations), these costs may need to be covered by charges to future users of the solid waste system or from future non-ad valorem assessments.

At September 30, 2020 and 2019, the statutorily required escrow account balances were as follows:

Site	2020	2019
Site 7 closure costs	\$ 33,746,675	\$ 34,583,424
Dyer landfill long-term care	359,107	353,104
	\$ 34,105,782	\$ 34,936,528



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE F - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS (Continued)

State laws and regulations specify that required landfill escrow account balances must be calculated using either the “Pay-in” or the “Balance” method, as they are statutorily defined. During 2006 the Authority changed from the Pay-in method to the Balance method. The Authority will be required to continue using the Balance method through the remaining design life of the Site 7 landfill. Although the Authority is not legally required by state or federal laws and regulations to provide funding for the landfill sites closed prior to 1991, the Authority has accepted financial responsibility for these sites. The annual long-term care funding requirements for these sites were not estimated or accrued at September 30, 2020 and 2019; however, management does not believe that the annual costs are material to the Authority and these costs will be adequately funded through future, annual operating budgets.

NOTE G - RISK MANAGEMENT

The Authority is exposed to various risks of loss related to torts; theft, environmental damage and destruction of assets; errors and omissions; injuries to employees; life and health of employees; and natural disasters. The Authority purchases commercial insurance for property damage with coverage up to a maximum of \$1.1 billion. This is subject to various policy sub-limits generally ranging from \$1 million to \$100 million and self-insured deductibles ranging from \$50,000 to \$500,000 per occurrence (2% for REF#1 and REF#2, and 5% of total property damage values at all other locations for a named windstorm; subject to a minimum of \$250,000). The Authority also purchases commercial insurance for general liability claims with coverage up to \$10 million per occurrence and \$10 million aggregate, with excess liability coverage of \$15 million, all subject to various self-insured deductibles up to \$50,000 per occurrence. General liability claims are limited by the Florida constitutional doctrine of sovereign immunity to \$200,000 per claim and \$300,000 per occurrence unless a higher claim is approved by the Florida Legislature. The limits addressed in the Florida Statutes do not apply to claims filed in Federal courts. Settled claims for property damage and general liability insurance have not exceeded commercial insurance coverage in any of the last three years.

The Authority purchases commercial insurance for workers compensation benefits with statutory coverage limits and employer’s liability coverage of \$1,000,000 per occurrence and per employee policy limit, subject to a self-insurance deductible of \$250,000 per occurrence. Settled claims have not exceeded commercial insurance coverage in any of the last three years. Changes in the claims liability for workers compensation benefits for the years ended September 30, 2020, 2019, and 2018, were as follows:

Year Ended September 30,	Liability at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability At End of Year
2020	\$ 76,700	\$ 332,496	\$ (294,296)	\$ 114,900
2019	80,000	207,641	(210,941)	76,700
2018	319,000	(59,329)	(179,671)	80,000

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE H - REVENUE BONDS PAYABLE

Revenue bonds payable by the Authority at September 30, 2020 and 2019, are summarized as follows:

	2020	2019
Direct Placement Revenue Bonds		
Series 2019	\$ 347,605,000	\$ 347,605,000
Revenue Bonds		
Series 2017	83,305,000	107,985,000
Series 2015	50,330,000	50,330,000
Series 2011 (1)	503,840,000	522,355,000
Series 2009	-	19,770,000
Unamortized premium	31,048,845	34,186,032
Net revenue bonds payable	1,016,128,845	1,082,231,032
Less current maturities	(41,915,000)	(39,990,000)
Revenue bonds payable, long-term portion	\$ 974,213,845	\$ 1,042,241,032

(1) On October 1, 2021, funds held in escrow will refund Series 2011 Refunding Revenue Bonds in the amount of \$336,665,000 and \$5,085,000 of the Series 2011 Refunding Revenue Bonds will be called using the Authority's debt service reserve fund.

Series 2019: \$347,605,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2019 dated February 20, 2019. The Series 2019 Bonds provided funding to purchase U.S. Treasury Securities that were placed in an irrevocable trust to (i) pay the interest coming due on the Series 2019 Bonds through October 1, 2021 (the "Crossover Date"), (ii) on the Crossover Date, retire \$336,665,000 of the Authority's outstanding Refunding Revenue Bonds, Series 2011 maturing on October 1, 2031, and (iii) pay costs of issuing the Series 2019 Bonds. As a result, the Series 2011 Bonds will not be defeased at the time of issuance of the Series 2019 Bonds and will remain outstanding for all purposes until the Crossover Date on which date the Series 2011 Bonds will be redeemed and discharged. The Series 2019 Bonds were initially issued the Taxable Interest Rate of 3.65%. On or prior to the Crossover Date, the Authority shall obtain and provide to the registered owners of the Series 2019 Bonds an unqualified opinion of bond counsel to the effect that as of the Crossover Date the interest thereafter payable on the Series 2019 Bonds is excluded from the gross income of the holders thereof for federal income tax purposes, then after the Crossover Date the Series 2019 Bonds shall bear interest at the Tax-Exempt Interest Rate of 2.88%. The Series 2019 Bonds are considered debt from direct placements.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE H - REVENUE BONDS PAYABLE (Continued)

Series 2019 (Continued)

Interest on the Series 2019 Bonds is payable semiannually on April 1st and October 1st and principal payments are due on October 1st, with the final payment due on October 1, 2031.

The debt service requirements and interest rates of the Series 2019 Bonds are as follows:

Year Ending September 30,	Interest Rate	Principal	Interest	Total
2021	3.65%	\$ -	\$ 12,687,583	\$ 12,687,583
2022	3.65	-	12,687,583	12,687,583
2023	3.65	1,780,000	12,655,098	14,435,098
2024	3.65	1,845,000	12,588,941	14,433,941
2025	3.65	1,910,000	12,520,413	14,430,413
2026	3.65	1,980,000	12,449,420	14,429,420
2027	3.65	39,875,000	11,685,566	51,560,566
2028	3.65	46,700,000	10,105,573	56,805,573
2029	3.65	49,390,000	8,351,930	57,741,930
2030	3.65	65,605,000	6,253,271	71,858,271
2031	3.65	68,010,000	3,814,798	71,824,798
2032	3.65	70,510,000	1,286,805	71,796,805
		<u>\$ 347,605,000</u>	<u>\$ 117,086,981</u>	<u>\$ 464,691,981</u>

Debt service requirements based on taxable interest rate of 3.65%.

Series 2017: \$107,985,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Federally Taxable Series 2017 dated August 30, 2017. The Series 2017 Bonds, in conjunction with approximately \$16.2 million in the Authority's Debt Service Reserve Fund and \$2.3 million from the Debt Service Fund provided funding to advance refund and defease \$104,280,000 of the Authority's outstanding Improvement Revenue Bonds, Series 2009 and pay the cost of issuance of the Series 2017 Bonds.

Interest on the Series 2017 Bonds is payable semiannually on April 1st and October 1st and principal payments are due on October 1st, with the final payment due on October 1, 2024.

The debt service requirements and interest rates of the Series 2017 Bonds are as follows:

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE H - REVENUE BONDS PAYABLE (Continued)

Series 2017 (Continued)

Year Ending September 30,	Interest Rate	Principal	Interest	Total
2021	1.79%	\$ 20,545,000	\$ 1,706,798	\$ 22,251,798
2022	2.08	-	1,523,023	1,523,023
2023	2.28	23,530,000	1,254,428	24,784,428
2024	2.44	24,135,000	691,869	24,826,869
2025	2.64	15,095,000	198,952	15,293,952
		<u>\$ 83,305,000</u>	<u>\$ 5,375,070</u>	<u>\$ 88,680,070</u>

On July 15, 2020, the Authority deposited approximately \$23.6 million of available Authority monies into an escrow account to defease \$22,975,000 of Federally Taxable Series 2017 Refunding Revenue Bonds that have a scheduled maturity date of October 1, 2021.

Series 2015: \$50,330,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2015 dated February 19, 2015. The Series 2015 Bonds, in conjunction with approximately \$83.8 million in the Authority's 2008B Project Account, \$3.0 million from the 2008B Interest Account, and \$6.2 million from the Debt Service Reserve Fund provided funding to advance refund and defease all of the Authority's outstanding Improvement Revenue Bonds, Series 2008B and pay the cost of issuance of the Series 2015 Bonds.

Interest on the Series 2015 Bonds is payable semiannually on April 1st and October 1st and principal payments are due on October 1st, with the final payment due on October 1, 2028.

The debt service requirements and interest rates of the Series 2015 Bonds are as follows:

Year Ending September 30,	Interest Rate	Principal	Interest	Total
2021	5.00%	\$ -	\$ 2,516,500	\$ 2,516,500
2022	5.00	-	2,516,500	2,516,500
2023	5.00	-	2,516,500	2,516,500
2024	5.00	-	2,516,500	2,516,500
2025	5.00	-	2,516,500	2,516,500
2026	5.00	10,870,000	2,244,750	13,114,750
2027	5.00	11,525,000	1,684,875	13,209,875
2028	5.00	12,130,000	1,093,500	13,223,500
2029	5.00	15,805,000	395,125	16,200,125
		<u>\$ 50,330,000</u>	<u>\$ 18,000,750</u>	<u>\$ 68,330,750</u>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE H - REVENUE BONDS PAYABLE (Continued)

Series 2011: \$599,860,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2011 dated October 26, 2011. The Series 2011 Bonds, in conjunction with the refunded Series 2010 Bonds, provided funding for the acquisition and construction of the Renewable Energy Facility #2 (REF #2) mass burn facility, funding for the corresponding Debt Service Reserve Account, and funds for the cost of issuance of the Series 2011 Bonds.

Interest on the Series 2011 Bonds is payable semiannually on April 1st and October 1st and principal payments are due on October 1st, with the final payment due on October 1, 2031.

The debt service requirements and interest rates of the Series 2011 Bonds are as follows:

Year Ending September 30,	Interest Rate	Principal	Interest	Total
2021	3.00-5.00%	\$ 21,370,000	\$ 24,560,650	\$ 45,930,650
2022	4.00-5.00	362,090,000	15,029,900	377,119,900
2023	4.00-5.00	21,285,000	5,467,275	26,752,275
2024	5.00	22,310,000	4,379,150	26,689,150
2025	5.00	33,095,000	2,994,025	36,089,025
2026	5.00	41,310,000	1,133,900	42,443,900
2027	4.25-5.00	395,000	92,756	487,756
2028	4.25-5.00	395,000	75,969	470,969
2029	4.25-5.00	395,000	59,181	454,181
2030	4.25-5.00	395,000	42,394	437,394
2031	4.25-5.00	400,000	25,500	425,500
2032	4.25-5.00	400,000	8,500	408,500
		<u>\$ 503,840,000</u>	<u>\$ 53,869,200</u>	<u>\$ 557,709,200</u>

On September 1, 2016, the Authority deposited approximately \$7.5 million of available Authority monies into an escrow account to defease \$735,000 of 2011 Refunding Revenue Bonds that have a scheduled maturity date of October 1, 2025 and to defease \$5,450,000 of 2011 Refunding Revenue Bonds that have a scheduled maturity date of October 1, 2031 for a total defeasance of \$6,185,000 of 2011 Refunding Revenue Bonds. On October 1, 2021, funds held in escrow will refund Series 2011 Refunding Revenue Bonds in the amount of \$336,665,000 and \$5,085,000 of the Series 2011 Refunding Revenue Bonds will be called using the Authority's debt service reserve fund.

Series 2009: \$261,545,000 Solid Waste Authority of Palm Beach County Improvement Revenue Bonds, Series 2009 dated April 23, 2009. The Series 2009 Bonds proceeds were used for funding various solid waste system projects, funding a deposit to the Debt Service Reserve Account, purchasing a bond insurance policy on the Series 2009 Bonds, and paying the costs of issuance for the Series 2009 Bonds.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE H - REVENUE BONDS PAYABLE (Continued)

Series 2009 (Continued)

Interest on the Series 2009 Bonds is payable semi-annually on April 1st and October 1st and principal payments are due on October 1st, with the final payment due on October 1, 2025. For marketing purposes, the 2009 bonds maturing on October 1, 2017 through October 1, 2023 were offered with two different coupon rates and prices producing identical yields. The principal balance of \$19,770,000 for the Series 2009 Bonds was retired October 1, 2019.

On September 1, 2016, the Authority deposited approximately \$92.7 million of available Authority monies into an escrow account to defease \$80,760,000 of 2009 Revenue Bonds.

On August 30, 2017, the proceeds of the sale of the Series 2017 Bonds, together with funds contributed by the Authority, after payment of costs of issuance, were deposited into the Series 2009 special fund, an irrevocable escrow fund with an independent trustee created under the Indenture. The trustee of the Special Fund invested the amounts on deposit in cash and U.S. Government Securities to provide for refunding all future debt service payments when due. As a result, the \$104,280,000 of the Series 2009 Bonds are considered to be “defeased” and do not constitute a debt or indebtedness of the Authority, nor is the Authority obligated for repayment of these bonds. Schedule of defeased maturity dates listed below.

Maturity Date	2016 Defeased Principal	2017 Defeased Principal	Total
10/1/2020	\$ 7,590,000	\$ 18,810,000	\$ 26,400,000
10/1/2021	6,070,000	21,865,000	27,935,000
10/1/2022	6,445,000	23,080,000	29,525,000
10/1/2023	6,860,000	24,410,000	31,270,000
10/1/2024	6,295,000	16,115,000	22,410,000
10/1/2025	7,920,000	-	7,920,000
10/1/2026	8,335,000	-	8,335,000
10/1/2027	8,855,000	-	8,855,000
10/1/2028	10,360,000	-	10,360,000
	<u>\$ 68,730,000</u>	<u>\$ 104,280,000</u>	<u>\$ 173,010,000</u>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE H - REVENUE BONDS PAYABLE (Continued)

Legal Requirements: The Authority does not have a legal debt margin. All outstanding revenue bonds of the Authority are secured by a pledge of the net revenues of the solid waste system except the Series 2019 Refunding Revenue Bonds which secured by the Series 2019 Escrow Account until the Crossover Date. On the Crossover Date, the Series 2019 Refunding Bonds will be secured by a pledge of net revenues of the solid waste system. The bond documents require the following accounts and reserves to be established by the Authority:

<u>Account</u>	<u>Purpose</u>
Revenue Account	To collect gross revenues derived from the solid waste system.
Operating Account	To pay the budgeted operating expenses for the Authority.
Debt Service Accounts (including principal account, interest account, debt service reserve account, and Series 2019 escrow)	To accumulate sufficient funds to meet the annual debt service requirements of outstanding revenue bonds.
Subordinated Indebtedness Account	To accumulate sufficient funds to meet the annual debt service requirements of any outstanding indebtedness subordinate to outstanding revenue bonds.
Operating Reserve Account	To pay operating expenses of the Authority whenever monies on deposit in the Operating Account are insufficient.
Renewal and Replacement Account	To accumulate funds for the purpose of funding the cost of replacement or renewal of capital assets of the system and extraordinary repairs thereto.
Capital Improvement Account	To pay the cost of extensions, improvements or additions to capital assets of the solid waste system.
2009 Construction Account	To pay for the cost of construction projects financed by the Series 2009 bonds
2011 Project Account	To pay for the cost of construction projects financed by the Series 2011 bonds
General Reserve Account	First used to cover deficiencies in any other accounts and then for capital improvements or renewal and replacement of the solid waste system.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE H - REVENUE BONDS PAYABLE (Continued)

Legal Requirements (Continued)

In accordance with the requirements of the bond documents, revenues are first applied to the Operating Account in an amount sufficient to cover operating expenses. Revenues are next used for the required payments of principal and interest on the outstanding revenue bonds and then the subordinated indebtedness. Revenues are next used to fund the operating reserve and then for the renewal, replacement and capital improvement of the solid waste system. Remaining revenues are deposited in the General Reserve Account.

The Series 2019 Bonds include a provision that during the continuance of an event of default or rating event, at the option of the Registered Owner, exercised in writing delivered by it to the Authority, the Interest Rate shall be increased to 12% per annum. If any payment due is not paid within fifteen days after the due date, the Authority shall pay the Registered Owner on demand a rate fee equal to 4% of the overdue payment.

All other revenue bonds include a provision in the event of default that either the Trustee or the Holders of not less than twenty-five per centum (25%) in principal amount of the bonds outstanding shall declare the principal of all the bonds then outstanding, and the accrued interest accrued thereon, to be due and payable immediately. If an event of default is not remedied, then the Authority, upon the demand of the Trustee, will pay the net revenues pledged by the bond covenants to the Trustee.

The Series 2011 Bonds includes an Extraordinary Optional Redemption clause allowing for redemption of prior to maturity at a redemption price of one hundred percent (100%) of the principal amount, plus accrued interest, if any, to the redemption date, in whole or in part at any time, in the event of damage, condemnation or loss of title of the REF#1 and REF#2 renewable energy facilities.



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE H - REVENUE BONDS PAYABLE (Continued)

Annual Maturities: Maturities for the outstanding bonds of the Authority are as follows:

Year Ending September 30,	Revenue Bonds			
	Principal	Interest	Escrow Funds	Total
2021	\$ 41,915,000	\$ 28,783,948	\$ -	\$ 70,698,948
2022	362,090,000	19,069,423	(336,665,000)	44,494,423
2023	44,815,000	9,238,203	-	54,053,203
2024	46,445,000	7,587,519	-	54,032,519
2025	48,190,000	5,709,477	-	53,899,477
2026-2030	93,220,000	6,822,450	-	100,042,450
2031-2032	800,000	34,000	-	834,000
	<u>\$ 637,475,000</u>	<u>\$ 77,245,020</u>	<u>\$ (336,665,000)</u>	<u>\$ 378,055,020</u>

Year Ending September 30,	Series 2019 Refunding Revenue Bonds Direct Placement			
	Principal	Interest	Escrow Funds	Total
2021	\$ -	\$ 12,687,583	\$ (12,687,583)	\$ -
2022	-	12,687,583	(12,687,583)	-
2023	1,780,000	12,655,098	(6,343,791)	8,091,307
2024	1,845,000	12,588,941	-	14,433,941
2025	1,910,000	12,520,413	-	14,430,413
2026-2030	203,550,000	48,845,760	-	252,395,760
2031-2032	138,520,000	5,101,603	-	143,621,603
	<u>\$ 347,605,000</u>	<u>\$ 117,086,981</u>	<u>\$ (31,718,957)</u>	<u>\$ 432,973,024</u>

The Series 2019 Bond Escrow Account will be used to supplement the annual debt service requirements of the Series 2019 Refunding Revenue Bonds until October 1, 2021 (the "Crossover Date") in the amount of \$31,718,956 of interest. On October 1, 2021, funds held in escrow will refund Series 2011 Refunding Revenue Bonds in the amount of \$336,665,000 and \$5,085,000 of the Series 2011 Refunding Revenue Bonds will be called using the Authority's debt service reserve fund.

Interest Expense: Total interest costs incurred on all Authority debt for the years ended September 30, 2020 and 2019 were \$42,569,379 and \$39,949,108, respectively. For the years ended September 30, 2020 and 2019, net interest costs (net of interest revenue on construction funds of \$114,456 and \$329,265 in 2020 and 2019, respectively) and \$42,454,923 and \$39,619,843, respectively, was expensed.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE H - REVENUE BONDS PAYABLE (Continued)

Defeased Bonds: In 2015, the Authority defeased \$131,565,000 of Revenue Bonds, Series 2008B by placing cash in an irrevocable escrow fund to provide for all future debt service payments on these bonds. At September 30, 2020, defeased Series 2008B Revenue Bonds totaling \$131,565,000 remain outstanding. In 2016, the Authority defeased \$80,760,000 of Revenue Bonds, Series 2009 by placing cash in an irrevocable escrow fund to provide for all future debt service payments on these bonds and in 2017, the Authority defeased \$104,280,000 of Revenue Bonds, Series 2009 by placing cash in an irrevocable escrow fund to provide for all future debt service payments on these bonds. At September 30, 2020, defeased Series 2009 Revenue Bonds totaling \$173,010,000 remain outstanding. In 2016, the Authority defeased \$6,185,000 of Refunding Revenue Bonds, Series 2011 by placing cash in an irrevocable escrow fund to provide for all future debt service payments on these bonds. At September 30, 2020, defeased Series 2011 Refunding Revenue Bonds totaling \$6,185,000 remain outstanding. In 2020, the Authority defeased \$22,975,000 of Refunding Revenue Bonds, Series 2017 by placing cash in an irrevocable escrow fund to provide for all future debt service payments on these bonds. At September 30, 2020, defeased Series 2011 Refunding Revenue Bonds totaling \$22,975,000 remain outstanding.

NOTE I - CHANGES IN NONCURRENT LIABILITIES

Changes in long-term debt for the years ended September 30, 2020 and 2019 are summarized as follows:

September 30, 2020	Balance at Beginning of Year	Increases	Decreases and Retirements	Balance at End of Year	Amounts Due Within One Year
Compensated absences	\$ 5,513,384	\$ 3,161,738	\$ (2,597,667)	\$ 6,077,455	\$ 344,592
Net pension liability	31,104,023	7,822,554	-	38,926,577	-
Total other postemployment liability	687,000	382,000	(299,000)	770,000	-
Advanced capacity payment payment	44,097,806	-	(2,981,260)	41,116,546	2,981,260
Landfill closure and postclosure care costs	52,242,563	994,640	-	53,237,203	359,107
Notes and bonds from direct borrowings and placements					
Revenue Bond, Series 2019	347,605,000	-	-	347,605,000	-
Revenue bonds					
Series 2017	107,985,000	-	(24,680,000)	83,305,000	20,545,000
Series 2015	50,330,000	-	-	50,330,000	-
Series 2011	522,355,000	-	(18,515,000)	503,840,000	21,370,000
Series 2009	19,770,000	-	(19,770,000)	-	-
	<u>\$ 1,181,689,776</u>	<u>\$ 12,360,932</u>	<u>\$ (68,842,927)</u>	1,125,207,781	<u>\$ 45,599,959</u>
Unamortized premium				31,048,845	
Current maturities				<u>(45,599,959)</u>	
Net long-term liabilities				<u>\$ 1,110,656,667</u>	

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE I - CHANGES IN NONCURRENT LIABILITIES (Continued)

September 30, 2019	Balance at Beginning of Year	Increases	Decreases and Retirements	Balance at End of Year	Amounts Due Within One Year
Compensated absences	\$ 5,235,597	\$ 3,122,510	\$ (2,844,723)	\$ 5,513,384	\$ 349,549
Net pension liability	27,472,550	3,631,473	-	31,104,023	-
Total other postemployment liability	707,000	76,000	(96,000)	687,000	-
Advanced capacity payment payment	47,079,066	-	(2,981,260)	44,097,806	2,981,260
Landfill closure and postclosure care costs	55,310,463	-	(3,067,900)	52,242,563	353,104
Notes and bonds from direct borrowings and placements					
Note payable, Series 2008	40,000,000	-	(40,000,000)	-	-
Revenue Bond, Series 2019	-	347,605,000	-	347,605,000	-
Revenue bonds					
Series 2017	107,985,000	-	-	107,985,000	1,705,000
Series 2015	50,330,000	-	-	50,330,000	-
Series 2011	539,105,000	-	(16,750,000)	522,355,000	18,515,000
Series 2009	39,475,000	-	(19,705,000)	19,770,000	19,770,000
	<u>\$ 912,699,676</u>	<u>\$ 354,434,983</u>	<u>\$ (85,444,883)</u>	1,181,689,776	<u>\$ 43,673,913</u>
Unamortized premium				34,186,032	
Current maturities				<u>(43,673,913)</u>	
Net long-term liabilities				<u>\$ 1,172,201,895</u>	

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE J - RESTRICTED NET POSITION

Net position was restricted for the following restricted asset accounts required by the Authority's trust indenture and outstanding revenue bonds at September 30, 2020 and 2019:

September 30, 2020	Restricted Assets	Liabilities Payable From Restricted Assets	Unspent Debt Proceeds	Restricted Net Position
Operating Account				
Customer Deposits	\$ 960,775	\$ 960,775	\$ -	\$ -
Debt Service Accounts	133,330,630	14,972,396	76,442,806	41,915,428
Series 2019 Bond Escrow Account (1)	347,134,283	347,134,283	-	-
Operating Reserve Account	26,881,625	-	-	26,881,625
Renewal and Replacement Reserve Account	18,329,273	1,766,565	-	16,562,708
Landfill Management Escrow Account (2)	40,989,740	40,989,740	-	-
Capital Improvement Account	13,018,750	33,522	-	12,985,228
2009 Construction Account	6,448,457	-	6,448,457	-
2011 Project Account	14,781,790	-	14,781,790	-
	<u>\$601,875,323</u>	<u>\$405,857,281</u>	<u>\$ 97,673,053</u>	<u>\$ 98,344,989</u>

(1) Actual liabilities payable from restricted assets for the Series 2019 Bond Escrow Account was \$353,948,791 as of September 30, 2020. See Note H – Series 2019.

(2) Actual liabilities payable from restricted assets for the Landfill Management Escrow Account was \$53,237,203 as of September 30, 2020.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE J - RESTRICTED NET POSITION (Continued)

September 30, 2019	Restricted Assets	Liabilities Payable From Restricted Assets	Unspent Debt Proceeds	Restricted Net Position
Operating Account				
Customer Deposits	\$ 812,225	\$ 812,225	\$ -	\$ -
Debt Service Accounts	132,550,788	15,913,308	76,562,933	40,074,547
Series 2019 Bond Escrow				
Account (1)	351,157,346	351,157,346	-	-
Operating Reserve Account	25,781,356	-	-	25,781,356
Renewal and Replacement				
Reserve Account	16,684,730	2,339,843	-	14,344,887
Landfill Management Escrow				
Account (2)	38,716,605	38,716,605	-	-
Capital Improvement Account	9,406,837	597,190	-	8,809,647
2009 Construction Account	5,758,571	-	5,758,571	-
2011 Project Account	15,213,845	-	15,213,845	-
	<u>\$596,082,303</u>	<u>\$409,536,517</u>	<u>\$ 97,535,349</u>	<u>\$ 89,010,437</u>

(3) Actual liabilities payable from restricted assets for the Series 2019 Bond Escrow Account was \$353,948,791 as of September 30, 2019. See Note H – Series 2019.

(4) Actual liabilities payable from restricted assets for the Landfill Management Escrow Account was \$52,242,563 as of September 30, 2019.

Net position is restricted for the operating account, debt service accounts, operating reserve account, renewal and replacement accounts, capital improvement account and construction accounts to the extent that restricted assets exceed the respective liabilities payable from restricted assets and the unspent portion of revenue bond proceeds held as restricted assets.

NOTE K - CAPITAL CONTRIBUTIONS

In cooperation with major water and sewer utilities in Palm Beach County, the Authority constructed a Biosolids Pelletization Facility (“BPF”) to handle wastewater sludge disposal and eliminate the practice of land spreading sludge in environmentally sensitive watersheds of South Florida. Funding for the project was shared between the Authority, the participating local governmental utilities and federal, state and local grants. Pursuant to interlocal agreements with participating utilities, the Authority owns and operates the BPF and bills each participant for their allocable share of operating and capital costs. In 2020, the Authority recorded no capital contributions from its partners. In 2019, the Authority recorded capital contributions totaling \$824,916 from its partners. The participants do not retain any ongoing financial interest in the BPF facilities and have no ongoing financial obligation to the Authority beyond payment of the current charges billed by the Authority.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

**NOTE L - RELATED PARTY TRANSACTIONS**

The Authority is a component unit of Palm Beach County, Florida. For the years ended September 30, 2020 and 2019 the Authority billed various departments of the County for assessments of \$2,066,944 and \$1,946,394, respectively; tipping and other fees of \$1,251,863 and \$1,188,306, respectively. The Authority billed no capital contributions to Palm Beach County in 2020 and \$167,751 in capital contributions were billed to Palm Beach County in 2019. At September 30, 2020 and September 30, 2019, there were no capital contributions due from Palm Beach County. In addition, the Authority received \$456,499 and \$522,454 during 2020 and 2019, respectively, from Palm Beach County for certificate of occupancy billings related to partial year assessments.

Operating expenses of the Authority for the years ended September 30, 2020 and 2019 include charges of \$1,425,759 and \$1,349,099, respectively, by the Palm Beach County Tax Collector for services rendered to the Authority in connection with the annual assessment billing, net of refunds receivable of \$2,450,497 and \$2,416,231 at September 30, 2020 and 2019, respectively. In addition, Palm Beach County billed the Authority for various other materials and contractual services totaling \$2,784,794 and \$2,995,535 for the years ended September 30, 2020 and 2019, respectively. At September 30, 2020 and 2019, \$2,612,386 and \$2,440,203, respectively, was due from Palm Beach County for Tax Collector rebates, assessments, tipping fees and other charges, and \$37,024 and \$121,224, respectively, was payable to Palm Beach County for various administrative services.

In connection with the closure of the Authority's Dyer Boulevard landfill site in prior years, a portion of the closed landfill was redeveloped and opened as a park facility. The Authority has entered into an initial 25-year lease (expiring in 2022) with Palm Beach County for \$10 per year to maintain the park and its facilities, which had a carrying value of approximately \$3.1 million at September 30, 2020 and 2019. The lease provides the option to extend the term for three additional periods of 25 years each under the same terms and conditions.

In cooperation with Palm Beach County, the Authority constructed a golf course on the site of the closed Lantana landfill. Palm Beach County and the Authority agreed to each fund 50% of the cost of the project. The Authority owns all the improvements and leases the golf course to Palm Beach County to operate under a long-term lease for \$10 per year. At September 30, 2020 and 2019, the carrying value of the golf course property and improvements was approximately \$9.4 million and \$9.4 million, respectively. The lease is for a period of 25 years and expires in December 2024.

**NOTE M - OTHER POSTEMPLOYMENT BENEFITS**

***General Information about the OPEB Plan***

Retirees of the Authority pay an amount equal to the actual premium for health insurance charged by the carrier. The premium charged includes an implied subsidy, as the amount charged for all participants (active employee or retiree) is the same, regardless of age. Under GASB 75, an implied subsidy is considered other post-employment benefits (OPEB).

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

The following describes the Authority's OPEB Provisions:

Plan Description: The Authority provides a single employer defined benefit health care plan to all of its employees and the plan is administered by the Authority. The plan has no assets and does not issue a separate financial report.

Benefits Provided: The plan allows its employees and their beneficiaries, at their own cost, to obtain medical/Rx and other insurance benefits upon retirement. The benefits of the plan are in accordance with Florida Statutes, which are the legal authority for the plan.

Employees Covered by Benefit Terms: At September 30, 2020, the following employees were covered by benefit terms:

Participants	
Active employees	387
Inactive employees currently receiving benefits	12
Inactive employees entitled to but not receiving benefits	-
Total	399

Contribution Requirements: The Authority does not make direct contributions to the plan on behalf of retirees. Retirees and their beneficiaries pay the same group health rates as active employees. However, the Authority's actuaries, in their actuarial valuation, calculate an offset to the cost of these benefits as an employer contribution, based upon an implicit rate subsidy. This offset equals the total annual age-adjusted costs paid by the Authority, or its active employees, for coverage of the retirees and their dependents net of the retiree's own payments for the year.

***Total OPEB Liability***

As of September 30, 2020, the Authority's OPEB liability of \$770,000 was measured as of September 30, 2020 and was determined by the actuarial valuation as of September 30, 2020. As of September 30, 2019, the Authority's OPEB liability of \$687,000 was measured as of September 30, 2019 and was determined by the actuarial valuation as of September 30, 2018.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE M – OTHER POSTEMPLOYMENT BENEFITS (Continued)

Actuarial Assumptions and Methods: The total OPEB liability was determined using the following actuarial assumptions and other methods:

	September 30, 2020
Valuation Date:	September 30, 2020
Discount Rate:	2.21% per annum, September 30, 2020 Measurement Date Source: Bond Buyer 20-Bond GO Index
Salary Increase Rate:	3.0% per annum
Inflation Rate:	3.0% per annum
Census Data:	The census data was provided by the Authority as of October 2020.
Marriage Rate:	The spousal participation assumed at retirement is 15%.
Spouse Age:	Spouse dates of birth were provided by the Authority. Where this information is missing, male spouses are assumed to be three years older than female spouses.
Medicare Eligibility:	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method:	Entry Age Normal based on level percentage of projected salary.
Amortization Method:	<i>Experience/Assumptions</i> gains and losses are amortized over the closed period of 9.4 years starting the current fiscal year, equal to the average remaining service of active and inactive plan members (who have no future service).
Plan Participation Percentage:	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 20% of all employees and their dependents who are eligible for early retiree benefits will participate in the pre-65 retiree medical plan and 1% continue upon Medicare eligibility. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates:	Pub-2010 mortality table with generational scale MP-2019.



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE M – OTHER POSTEMPLOYMENT BENEFITS (Continued)

	September 30, 2019
Valuation Date:	September 30, 2018
Discount Rate:	2.66% per annum, September 30, 2019 Measurement Date Source: Bond Buyer 20-Bond GO Index
Salary Increase Rate:	3.0% per annum
Medical Consumer Price Index Trend:	3.0% per annum
Inflation Rate:	3.0% per annum
Census Data:	The census was provided by the Authority as of May 2018.
Marriage Rate/Participation:	The assumed number of eligible dependents is based on the current portions of single and family contracts in the census provided. The spousal participation assumed at retirement is 15%.
Spouse Age:	Spouse dates of birth were provided by the Authority. Where this information is missing, male spouses are assumed to be three years older than female spouses.
Medicare Eligibility:	All current and future retirees are assumed to be eligible for Medicare at age 65.
Actuarial Cost Method:	Entry Age Normal based on level percentage of projected salary.
Amortization Method:	<i>Experience/Assumptions</i> gains and losses are amortized over the closed period of 10.5 years starting on October 1, 2017, equal to the average remaining service of active and inactive plan members (who have no future service).
Plan Participation Percentage:	The participation percentage is the assumed rate of future eligible retirees who elect to continue health coverage at retirement. It is assumed that 20% of future retirees will participate in the pre-65 retiree medical plan and 5% continue upon Medicare eligibility. This assumes that a one-time irrevocable election to participate is made at retirement.
Mortality Rates:	RP-2014 generational table scaled using MP-18 and applied on a gender-specific basis.

Discount Rate: The Authority does not have a dedicated Trust to pay retiree healthcare benefits. Per GASB 75, the discount rate is a yield or index rate for 20-year, tax-exempt municipal bonds. As of September 30, 2020, the calculation used a rate of 2.21%. As of September 30, 2019, the calculation used a rate of 2.66%.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

*Changes in the Total OPEB Liability*

September 30, 2020	
	Total OPEB Liability
Balance at September 30, 2019	\$ 687,000
Changes for the Year:	
Service Cost	28,000
Interest Cost	18,000
Differences Between Expected and Actual Experience	(206,000)
Changes of Assumptions or Other Inputs	336,000
Benefit Payments	(93,000)
Net Change in Total OPEB Liability	\$ 83,000
Balance at September 30, 2020	\$ 770,000
September 30, 2019	
	Total OPEB Liability
Balance at September 30, 2018	\$ 707,000
Changes for the Year:	
Service Cost	22,000
Interest Cost	28,000
Changes of Assumptions or Other Inputs	26,000
Benefit Payments	(96,000)
Net Change in Total OPEB Liability	\$ (20,000)
Balance at September 30, 2019	\$ 687,000

Changes in Assumptions: As of September 30, 2020, all assumptions, methods, and results are based on the fiscal year 2020 GASB 75 actuarial report dated December 22, 2020. Changes to the assumptions since the actuarial report dated November 13, 2018 are as follows:

- The discount rate was updated from 2.66% to 2.21%.
- The mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to Pub-2010 mortality table with generational scale MP-2019 to reflect the Society of Actuaries' recent mortality study.
- The plan participation rate for Medicare-eligible retirees was reduced from 5% to 1% based on recent experience.
- The Excise Tax (ACA Cadillac Tax) on high cost employer sponsored health plans was replaced by a bill in December 2019. The Excise Tax assumption from the valuation.
- There were significant changes to the retirement and termination assumptions based on the 2020 FRS Actuarial Valuation. Termination rates are now extended much further out in both age and service grading down to a much lower rate of 0.5% (compared to 3% from prior years). Retirement rates have, in general, increased across the board.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

As of September 30, 2019, all assumptions, methods, and results are based on the fiscal year 2018 GASB 75 actuarial report dated November 13, 2018. There were no significant changes to the assumptions since the actuarial report dated November 13, 2018 except the discount rate, which decreased from 4.18% to 2.66%.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21%) or 1-percentage-point higher (3.21%) then the current discount rate at September 30, 2020:

	<b>1.0% Decrease (1.21%)</b>	<b>Discount Rate (2.21%)</b>	<b>1.0% Increase (3.21%)</b>
Total OPEB Liability	\$ 797,000	\$ 770,000	\$ 741,000

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (1.66%) or 1-percentage-point higher (3.66%) then the current discount rate at September 30, 2019:

	<b>1.0% Decrease (1.66%)</b>	<b>Discount Rate (2.66%)</b>	<b>1.0% Increase (3.66%)</b>
Total OPEB Liability	\$ 706,000	\$ 687,000	\$ 665,000

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Trend Rates: The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trends that are 1-percentage-point lower (5.0% decreasing to 3.50%) or 1-percentage-point higher (7.0% decreasing to 5.50%) then the current healthcare cost trend rates at September 30, 2020:

	<b>1.0% Decrease (5.0% decreasing to 3.50%)</b>	<b>Healthcare cost Trend Rates (6.0% decreasing to 4.50%)</b>	<b>1.0% Increase (7.0% decreasing to 5.50%)</b>
Total OPEB Liability	\$ 719,000	\$ 770,000	\$ 825,000

The following presents the total OPEB liability of the Authority, as well as what the Authority's total OPEB liability would be if it were calculated using healthcare cost trends that are 1-percentage-point lower (5.5% decreasing to 3.50%) or 1-percentage-point higher (7.5% decreasing to 5.50%) then the current healthcare cost trend rates at September 30, 2019:

	<b>1.0% Decrease (5.5% decreasing to 3.50%)</b>	<b>Healthcare cost Trend Rates (6.5% decreasing to 4.50%)</b>	<b>1.0% Increase (7.5% decreasing to 5.50%)</b>
Total OPEB Liability	\$ 626,000	\$ 687,000	\$ 756,000

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

***OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB***

For the year ended September 30, 2020, the Authority recognized OPEB expense of \$61,000. At September 30, 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Expected and Actual Experience	\$ -	\$ 185,000
Changes of Assumptions/Inputs	321,000	8,000
Total	<u>\$ 321,000</u>	<u>\$ 193,000</u>

For the year ended September 30, 2019, the Authority recognized OPEB expense of \$52,000. At September 30, 2019, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions/Inputs	\$ 23,000	\$ 9,000
Total	<u>\$ 23,000</u>	<u>\$ 9,000</u>

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

Fiscal Year Ending:		
September 30, 2021	\$	15,000
September 30, 2022		15,000
September 30, 2023		15,000
September 30, 2024		15,000
September 30, 2025		15,000
Thereafter		53,000
	<u>\$</u>	<u>128,000</u>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM

General Information: All full-time employees participate in the Florida Retirement System (FRS). The FRS was created in Chapter 121, Florida Statutes, to provide a defined benefit pension plan for participating public employees. The FRS was amended in 1998 to add the Deferred Retirement Option Program (DROP) under the defined benefit plan and amended in 2000 to provide a defined contribution plan alternative to the defined benefit plan for FRS members effective July 1, 2002. This integrated defined contribution pension plan is the Florida Retirement System Investment Plan. Chapter 112, Florida Statutes, established the Retiree Health Insurance Subsidy (HIS) Program, a cost sharing multiple-employer defined benefit pension plan, to assist retired members of any state administered retirement system in paying the costs of health insurance.

Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature. The FRS is single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs.

The State of Florida annually issues a publicly available financial report that includes financial statements and required supplementary information for the FRS. The latest available report may be obtained by writing to the State of Florida Division of Retirement, Department of Management Services, P.O. Box 9000, Tallahassee, Florida 32315-9000 or calling toll free at 877-377-1737. The report is also available at the Florida Department of Management Services web site [www.dms.myflorida.com](http://www.dms.myflorida.com).

Significant Accounting Policies: For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System Pension Plan (FRSP) and the Florida Retirement System Health Insurance Subsidy Program and additions to/deductions from the FRSP and HIS fiduciary net position have been determined on the same basis as they are reported by FRSP and HIS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

***Pension Plan***

Plan Description: The FRS Pension Plan is a cost-sharing multiple-employer defined benefit pension plan, with a Deferred Retirement Option Program (DROP) for eligible employees. The general classes of membership are as follows:

- Regular Class
- Special Risk Class
- Elected Officials Class
- Senior Management Service Class

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

***Pension Plan***

Plan Description: (Continued)

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members, enrolled prior to July 1, 2011, are eligible for normal retirement benefits at age 62 or at any age after 30 years of service.

Section 121.091, Florida Statutes, permits employees eligible for normal retirement under the Plan to defer receipt of monthly benefit payments while continuing employment with an FRS employer. An employee may participate in DROP for a period not to exceed 60 months after electing to participate, except that certain instructional personnel may participate for up to 96 months. During the period of DROP participation, deferred monthly benefits are held in the FRS Trust Fund and accrue interest. The net pension liability does not include amounts for DROP participants, as these members are considered retired and are not accruing additional pension benefits.

Benefits Provided: Benefits under the Plan are computed on the basis of age and/or years of service, average final compensation, and service credit. Credit for each year of service is expressed as a percentage of the average final compensation. For members initially enrolled before July 1, 2011, the average final compensation is the average of the five highest fiscal years' earnings; for members initially enrolled on or after July 1, 2011, the average final compensation is the average of the eight highest fiscal years' earnings. The total percentage value of the benefit received is determined by calculating the total value of all service, which is based on the retirement class to which the member belonged when the service credit was earned. Members are eligible for in-line-of-duty or regular disability and survivors' benefits.

The following table shows the percentage value for each year of service credit earned:

Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60%
Retirement at age 63 or with 31 years of service	1.63%
Retirement at age 64 or with 32 years of service	1.65%
Retirement at age 65 or with 33 or more years of service	1.68%
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60%
Retirement at age 66 or with 34 years of service	1.63%
Retirement at age 67 or with 35 years of service	1.65%
Retirement at age 68 or with 36 or more years of service	1.68%
Special Risk Class	
Service from December 1, 1970 through September 30, 1974	2.00%
Service on or after October 1, 1974	3.00%
Elected Officials Class	3.00%
Senior Management Service Class	2.00%

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

*Pension Plan* (Continued)

Benefits Provided (Continued)

As provided in Section 121.101, Florida Statutes, if the member is initially enrolled in the FRS before July 1, 2011, and all service credit was accrued before July 1, 2011, the annual cost-of-living adjustment is 3 percent 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 percent determined by dividing the sum of the pre-July 2011 service credit by the total service credit at retirement multiplied by 3 percent. Plan members initially enrolled on or after July 1, 2011 will not have a cost-of-living adjustment after retirement.

Contributions

Effective July 1, 2011, all enrolled members of the FRS, other than DROP participants, are required to contribute three percent of their salary to the FRS. In addition to member contributions, governmental employers are required to make contributions to the FRS based on state-wide contribution rates established by the Florida Legislature. These rates are updated as of July 1 of each year. The employer contribution rates by job class for the fiscal year ended September 30, 2020 and 2019 were as follows:

Class	10/01/18 through 06/30/19	07/01/19 through 06/30/20	07/01/20 through 09/30/20
Regular Class	8.26%	8.47%	10.00%
Senior Management Service Class	24.06%	25.41%	27.29%
Special Risk Class	24.50%	25.48%	24.45%
DROP	14.03%	14.60%	16.98%

The employer contribution rates include a 1.66% HIS Plan subsidy. Except for the DROP, the rates also include a 0.06% for administrative costs of the Public Employee Optional Retirement Program for the period October 1, 2018 through September 30, 2020.

For the fiscal year ended September 30, 2020, the Authority made contributions of \$2,186,868 to the Pension Plan and \$1,903,110 for the fiscal year ended September 30, 2019.

Pension Liabilities and Pension Expense: At September 30, 2020, the Authority reported a liability of \$28,999,693 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Authority's proportionate share of the net pension liability was based on the Authority's 2019-20 plan year contributions relative to the 2019-20 plan year contributions of all participating members. At June 30, 2020, the Authority's proportionate share was 0.066909799 percent, which was an increase of 0.002494990 percent from its proportionate share measured as of June 30, 2019.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

*Pension Plan* (Continued)

Pension Liabilities and Pension Expense (Continued)

At September 30, 2019, the Authority reported a liability of \$22,183,563 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019. The Authority's proportionate share of the net pension liability was based on the Authority's 2018-19 plan year contributions relative to the 2018-19 plan year contributions of all participating members. At June 30, 2019, the Authority's proportionate share was 0.064414809 percent, which was an increase of 0.000756508 percent from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2020 and 2019, the Authority recognized pension expense of \$6,267,407 and \$5,582,523, respectively, related to the Plan.

Deferred Outflows and Inflows of Resources Related to Pensions: The Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

September 30, 2020		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,109,877	\$
Change of assumptions	5,249,867	
Net difference between projected and actual earnings on Pension Plan investments	1,726,670	
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	713,130	78,310
Pension Plan contributions subsequent to the measurement date	639,861	
Total	\$ 9,439,405	\$ 78,310



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

*Pension Plan* (Continued)

Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

September 30, 2019		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,315,771	\$ 13,767
Change of assumptions	5,697,693	
Net difference between projected and actual earnings on Pension Plan investments		1,227,311
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	296,039	119,636
Pension Plan contributions subsequent to the measurement date	492,611	
Total	\$ 7,802,114	\$ 1,360,714

The deferred outflows of resources related to the Pension Plan at September 30, 2020, totaling \$639,861 resulting from Authority contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. The deferred outflows of resources related to the Pension Plan at September 30, 2019, totaling \$492,611 resulting from Authority contributions to the Plan subsequent to the measurement date, was recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the Pension Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2021	\$ 1,815,438
2022	2,718,602
2023	2,328,958
2024	1,451,896
2025	406,340
Thereafter	\$ 8,721,234

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

**Pension Plan** (Continued)

Actuarial Assumptions: The total pension liability in the actuarial valuation was determined using the following actuarial assumptions:

	September 30, 2020	September 30, 2019
Valuation date	July 1, 2020	July 1, 2019
Measurement date	June 30, 2020	June 30, 2019
Inflation	2.40%	2.60%
Salary increases	3.25%, average, including inflation	3.25%, average, including inflation
Investment rate of return	6.80%, net of pension plan investment expense, including inflation	6.90%, net of pension plan investment expense, including inflation
Mortality	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018	PUB2010 base table varies by member category and sex, projected generationally with Scale MP-2018
Actuarial cost method	Individual Entry Age	Individual Entry Age

The actuarial assumptions that determined the total pension liability as of June 30, 2020, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018. The actuarial assumptions that determined the total pension liability as of June 30, 2019, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018.

The long-term expected rate of return on investments is not based on historical returns, but instead is based on a forward-looking capital market economic model. The allocation policy's description of each asset class was used to map the target allocation to the asset classes shown below. Each asset class assumption is based on a consistent set of underlying assumptions and includes an adjustment for the inflation assumption. The target allocation and best estimates of arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

September 30, 2020				
Description	(1) Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.2%	2.2%	1.2%
Fixed Income	19.0%	3.0%	2.9%	3.5%
Global Equity	54.2%	8.0%	6.7%	17.1%
Real Estate	10.3%	6.4%	5.8%	11.7%
Private Equity	11.1%	10.8%	8.1%	25.7%
Strategic Investments	4.4%	5.5%	5.3%	6.9%
Total	<u>100%</u>			
Assumed Inflation - Mean			2.4%	1.7%

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

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

*Pension Plan* (Continued)

Actuarial Assumptions (Continued)

September 30, 2019				
Description	(1) Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	3.3%	3.3%	1.2%
Fixed Income	18.0%	4.1%	4.1%	3.5%
Global Equity	54.0%	8.0%	6.8%	16.5%
Real Estate	10.0%	6.7%	6.1%	11.7%
Private Equity	11.0%	11.2%	8.4%	25.8%
Strategic Investments	6.0%	5.9%	5.7%	6.7%
Total	100%			
Assumed Inflation - Mean			2.6%	1.7%

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

Discount Rate: The discount rate used to measure the total pension liability at September 30, 2020 and 2019 was 6.80% and 6.90%, respectively. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculation the total pension liability is equal to the long-term expected rate of return.

Sensitivity of the Authority's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate:

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.80%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.80%) or one percentage point higher (7.80%) than the current rate at September 30, 2020:

September 30, 2020			
	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
Proportionate share of the net pension liability	\$ 46,307,636	\$ 28,999,693	\$ 14,544,024

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

***Pension Plan*** (Continued)

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate (Continued)

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 6.90%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) than the current rate at September 30, 2019:

	1% Decrease (5.90%)	Current Discount Rate (6.90%)	1% Increase (7.90%)
Proportionate share of the net pension liability	\$ 38,347,994	\$ 22,183,563	\$ 8,683,530

Pension Plan Fiduciary Net Position: Detailed information regarding the Pension Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan: At September 30, 2020, the Authority had a \$241,478 payable for outstanding contributions to the Pension Plan for the fiscal year ended September 30, 2020. At September 30, 2019, the Authority had a \$196,740 payable for outstanding contributions to the Pension Plan for the fiscal year ended September 30, 2019.

***Retiree Health Insurance Subsidy (HIS) Program***

Plan Description: The HIS Plan is a cost-sharing multiple-employer defined benefit pension plan established under Section 112.363, Florida Statutes, and may be amended by the Florida legislature at any time. The benefit is a monthly payment to assist retirees of State-administered retirement systems in paying their health insurance costs and is administered by the Florida Department of Management Services, Division of Retirement.

Benefits Provided: For the fiscal year ended September 30, 2020 and 2019, eligible retirees and beneficiaries received a monthly HIS payment of \$5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of \$30 and a maximum HIS payment of \$150 per month. To be eligible to receive these benefits, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions: The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2020 and 2019, the HIS contribution was 1.66%. The Authority contributed 100% of its statutorily required contributions for the current and preceding three years. HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

*Retiree Health Insurance Subsidy (HIS) Program* (Continued)

Contributions (Continued)

the event legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or cancelled.

The Authority's contributions to the HIS Plan totaled \$474,046 for the fiscal year ended September 30, 2020 and \$448,920 for the fiscal year ended September 30, 2019.

Pension Liabilities and Pension Expense: At September 30, 2020, the Authority reported a liability of \$9,926,884 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2020. The Authority's the proportionate share of the net pension liability was based on the Authority's 2019-20 plan year contributions relative to the 2019-20 plan year contributions of all participating members. At June 30, 2020, the Authority's proportionate share was 0.081302344 percent, which was a decrease of 0.001577073 percent from its proportionate share measured as of June 30, 2019.

At September 30, 2019, the Authority reported a liability of \$8,920,460 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Authority's the proportionate share of the net pension liability was based on the Authority's 2018-19 plan year contributions relative to the 2018-19 plan year contributions of all participating members. At June 30, 2019, the Authority's proportionate share was 0.079725271 percent, which was a decrease of 0.000756508 percent from its proportionate share measured as of June 30, 2018.

For the fiscal year ended September 30, 2020 and 2019, the Authority recognized pension expense of \$920,280 and \$764,087, respectively.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

***Retiree Health Insurance Subsidy (HIS) Program*** (Continued)

Deferred Outflows and Inflows of Resources Related to Pensions: In addition, the Authority reported deferred outflows of resources and deferred in flows of resources related to pensions from the following sources:

September 30, 2020		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 406,070	\$ 7,658
Change of assumptions	1,067,423	577,210
Net difference between projected and actual earnings on Pension Plan investments	7,926	
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	448,760	89,506
Pension Plan contributions subsequent to the measurement date	110,001	
Total	\$ 2,040,180	\$ 674,374
September 30, 2019		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 108,349	\$ 10,923
Change of assumptions	1,032,905	729,086
Net difference between projected and actual earnings on Pension Plan investments	5,756	
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	416,478	122,326
Pension Plan contributions subsequent to the measurement date	104,367	
Total	\$ 1,667,855	\$ 862,335

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

*Retiree Health Insurance Subsidy (HIS) Program* (Continued)

Deferred Outflows and Inflows of Resources Related to Pensions (Continued)

The deferred outflows of resources related to the HIS Plan at September 30, 2020, totaling \$110,001 resulting from Authority contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2021. The deferred outflows of resources related to the HIS Plan at September 30, 2019, totaling \$104,367 resulting from Authority contributions to the HIS Plan subsequent to the measurement date, was recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to the HIS Plan will be recognized in pension expense as follows:

Fiscal Year Ending September 30	Amount
2021	\$ 342,613
2022	282,545
2023	92,456
2024	164,527
2025	203,522
Thereafter	170,142
	\$ 1,255,805

Actuarial Assumptions: The total pension liability in the actuarial valuation was determined using the following actuarial assumptions:

	September 30, 2020	September 30, 2019
Valuation date	July 1, 2020	July 1, 2018
Measurement date	June 30, 2020	June 30, 2019
Inflation	2.40%	2.60%
Salary increases	3.25%, average, including inflation	3.25%, average, including inflation
Municipal bond rate	2.21%	3.50%
Long-term expected rate of return	N/A	N/A
Mortality	Generational PUB-2010 with Projection Scale MP-2018	General RP-2000 with projected scale BB
Actuarial cost method	Individual Entry Age	Individual Entry Age

The actuarial assumptions that determined the total pension liability as of June 30, 2020, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018. The actuarial assumptions that determined the total pension liability as of June 30, 2019, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018.

Discount Rate: The discount rate used to measure the total pension liability at September 30, 2020 and 2019 was 2.21% and 3.50%, respectively. 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

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

***Retiree Health Insurance Subsidy (HIS) Program*** (Continued)

Discount Rate (Continued)

benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Authority's Proportionate Share of the Net Position Liability to Changes in the Discount Rate:

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 2.21%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (1.21%) or one percentage point higher (3.21%) than the current rate at September 30, 2020:

	<u>1% Decrease (1.21%)</u>	<u>Current Discount Rate (2.21%)</u>	<u>1% Increase (3.21%)</u>
Proportionate share of the net pension liability	<u>\$ 11,475,035</u>	<u>\$ 9,926,884</u>	<u>\$ 8,659,727</u>

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 3.50%, as well as what the Authority's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (2.50%) or one percentage point higher (4.50%) than the current rate at September 30, 2019:

	<u>1% Decrease (2.50%)</u>	<u>Current Discount Rate (3.50%)</u>	<u>1% Increase (4.50%)</u>
Proportionate share of the net pension liability	<u>\$ 10,183,162</u>	<u>\$ 8,920,460</u>	<u>\$ 7,868,772</u>

Pension Plan Fiduciary Net Position: Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report.

Payables to the Pension Plan: At September 30, 2020, the Authority had \$36,799 payable for outstanding contributions to the HIS Plan for the fiscal year ended September 30, 2020. At September 30, 2019, the Authority had \$34,672 payable for outstanding contributions to the HIS Plan for the fiscal year ended September 30, 2019.



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

***Summary Data***

The following table provides a summary of significant information related to the Florida Retirement System defined benefit plans for the year ended September 30, 2020.

Description	Pension Plan	HIS Plan	Total
Proportionate share of total pension liability	\$ 137,104,695	\$ 10,234,419	\$ 147,339,114
Proportionate share of plan fiduciary net position	108,105,002	307,535	108,412,537
Proportionate share of net pension liability	28,999,693	9,926,884	38,926,577
Proportionate share of deferred outflows of resources	9,439,405	2,040,180	11,479,585
Proportionate share of deferred inflows of resources	78,310	674,374	752,684
Pension expense	6,267,407	920,280	7,187,687

The following table provides a summary of significant information related to the Florida Retirement System defined benefit plans for the year ended September 30, 2019.

Description	Pension Plan	HIS Plan	Total
Proportionate share of total pension liability	\$ 127,549,266	\$ 9,161,265	\$ 136,710,531
Proportionate share of plan fiduciary net position	105,365,703	240,805	105,606,508
Proportionate share of net pension liability	22,183,563	8,920,460	31,104,023
Proportionate share of deferred outflows of resources	7,802,114	1,667,855	9,469,969
Proportionate share of deferred inflows of resources	1,360,714	862,335	2,223,049
Pension expense	5,582,523	764,087	6,346,610

***Investment Plan***

**Plan Description**

The Florida Retirement System Investment Plan is a defined contribution retirement plan qualified under Section 401(a) of the Internal Revenue Code. The Florida Legislature enacted the Plan during the 2000 legislative session, and amendments to the Plan can only be made by an act of the Florida Legislature. The Plan is administered by the State Board of Administration of Florida. The Investment Plan is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual 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 defined benefit plan. Authority 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.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

***Investment Plan*** (Continued)

*Funding Policy*

The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected Officers, etc.), as the defined benefit 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 percent, for the period October 1, 2018 through September 30, 2020, of payroll and by forfeited benefits of plan members.

Participating employers are required to make contributions based upon statewide contributions rates. The contribution rates by job class for the Authority's employees for the fiscal year ended September 30, 2020 and 2019, are as follows:

Class	10/01/18 through 06/30/19	07/01/19 through 06/30/20	07/01/20 through 09/30/20
Regular Class	8.26%	8.47%	10.00%
Senior Management Service Class	24.06%	25.41%	27.29%
Special Risk Class	24.50%	25.48%	24.45%
DROP	14.03%	14.60%	16.98%

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, 2020 and 2019, 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 Authority.

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 Pension Plan when approved for disability retirement to receive guaranteed lifetime monthly benefits under the Pension Plan, or remain in the Investment Plan and rely upon that account balance for retirement income.

For the fiscal years ended September 30, 2020 and 2019, the Authority's Investment Plan pension expense totaled \$322,961 and \$262,644, respectively.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE O - MAJOR CUSTOMERS

Waste Management of Palm Beach accounted for 17.1% and 18.8% of 2020 and 2019 tipping fee revenues, respectively. West Palm Beach Utilities Department accounted for 6.0% and 6.1% of 2020 and 2019 tipping fee revenues, respectively.

NOTE P - COMMITMENTS AND CONTINGENCIES

Environmental Liabilities: The Authority, in cooperation with other state and local regulatory agencies, maintains an extensive monitoring program for potential environmental contaminants at each of its sites and facilities. These monitoring programs have not identified any contaminants caused by landfill leachate or other operations of the Authority. In the event that any environmental contaminants are identified, the Authority may be financially responsible for the environmental assessment and cleanup costs, as well as potential fines imposed by governmental regulatory agencies.

Litigation, Claims and Assessments: The Authority is involved in various legal matters occurring in the normal course of operations. While the ultimate outcome of these matters cannot be determined at this time, it is the opinion of the Authority's management, in consultation with legal counsel, that no material losses in excess of recorded amounts or insured limits are expected to result from the settlement of any claims.

Contract Commitments: The Authority had outstanding purchase commitments for various equipment, goods and services totaling approximately \$7.0 million at September 30, 2020.

Interlocal Agreement: The Authority entered into an interlocal agreement with Palm Beach County to provide funding for a hazardous materials emergency response team to provide regional hazardous materials investigation and mitigation services through the fiscal year ending September 30, 2022.

The Authority paid \$2,313,992 and \$2,246,594 for 2020 and 2019, respectively. The Authority is required to pay \$2,383,412 under this agreement for the fiscal year ended September 30, 2021. The amount due each year can increase up to 3% per year.

Lease Commitments: The Authority owns approximately 1,600 acres of farmland in western Palm Beach County, which is held as a replacement waste disposal site. The Authority has an operating lease expiring in 2022 with the former owner to maintain and continue farming the property. The lease provides for annual rental payments to the Authority adjusted each year based on the change in the producer price index for raw cane sugar, provided that the total annual rent shall not exceed \$450,000. Rental income from this lease for the years ended September 30, 2020 and 2019, was approximately \$275,000 and \$264,000, respectively. The carrying value of the land subject to the lease was approximately \$8 million at September 30, 2020 and 2019. The lease also provides the option to extend the term for two additional periods of four years each (through 2030), under the same terms and conditions. The Authority retains the right to terminate the lease. Management expects the operating lease to be renewed until the property is utilized for its intended purpose as a replacement waste disposal site.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY**  
**NOTES TO FINANCIAL STATEMENTS**  
**SEPTEMBER 30, 2020 and 2019**

NOTE P - COMMITMENTS AND CONTINGENCIES (Continued)

Lease Commitments (Continued)

The Authority leased the current site of the Delray Beach transfer station from the City of Delray Beach under a 20-year operating lease that expired on September 30, 2020. The original 20-year lease was extended with an option to renew for an additional 20 years under the existing terms starting October 1, 2020. The lease provides for annual rental payments increased by the annual change in the consumer price index. Rent expense for the years ended September 30, 2020 and 2019, was \$151,835 and \$140,804, respectively. The minimum future rental payments, based on an estimated annual increase of 3 percent, under this operating lease at September 30, 2020, were as follows:

Year Ending September 30,	
2021	\$ 155,381
2022	160,043
2023	164,844
2024	169,789
2025	174,883
2026-2030	956,331
2031-2035	1,108,650
2036-2040	<u>1,285,229</u>
	<u>\$ 4,175,150</u>

NOTE Q - SUBSEQUENT EVENT

In December 2019, a novel strain of coronavirus (COVID-19) surfaced in Wuhan, China, and has spread around the world, with resulting business and social disruption. The coronavirus was declared a Public Health Emergency of International Concern by the World Health Organization on January 30, 2020. While the pandemic environment presents general economic uncertainty, the Authority does not anticipate any material impact on future operations at this time.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**

**Last Ten Fiscal Years**

	<u>2018</u>	<u>2019</u>	<u>2020</u>
<b>Total OPEB liability</b>			
Service cost	\$ 21,000	\$ 22,000	\$ 28,000
Interest cost	30,000	28,000	18,000
Difference between expected & actual experience	-	-	(206,000)
Changes of assumptions and other inputs	(11,000)	26,000	336,000
Benefit payments	<u>(79,000)</u>	<u>(96,000)</u>	<u>(93,000)</u>
<b>Net change in total OPEB liability</b>	(39,000)	(20,000)	83,000
<b>Total OPEB liability, beginning of year</b>	<u>746,000</u>	<u>707,000</u>	<u>687,000</u>
<b>Total OPEB liability, end of year</b>	<u>\$ 707,000</u>	<u>\$ 687,000</u>	<u>\$ 770,000</u>
<b>Covered-employee payroll</b>	\$ 23,959,000	\$ 25,841,000	\$ 26,199,000
<b>Total OPEB liability as a percentage of covered-employee payroll</b>	2.95%	2.66%	2.94%

**Notes to schedule:**

This schedule is intended to present data for 10 years. For years prior to 2018, data is unavailable. additional years will be presented as they become available.

*Changes of assumptions* - For the September 30, 2020 valuation, all assumptions, methods, and results are based on the fiscal year 2020 GASB75 actuarial report dated December 22, 2020. Changes to the assumptions since the last actuarial valuation include the discount rate was decreased from 2.66% to 2.21%; mortality assumption was updated from RP-2014 mortality table with generational scale MP-2018 to Pub-2010 mortality table with generational scale MP-2019; plan participation rate for Medicare-eligible retirees was reduced from 5% to 1%; Excise Tax (ACA Cadillac Tax) on high cost employer sponsored health plans was relaced by a bill in December 2019; there were significant changes to the retirement and termination assumptions based on the 2020 FRS actuarial valuation. For the September 30, 2019 and 2018 valuations, all assumptions, methods, and results are based on the fiscal year 2018 GASB75 actuarial report dated November 13, 2018. There were no significant changes to the assumptions since the report dated November 13, 2018 except the discount rate which decreased from 4.18% to 2.66%.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM - PENSION PLAN**

**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required FRS contribution	\$ 1,332,111	\$ 1,426,153	\$ 1,429,340	\$ 1,570,296
FRS contributions in relation to the contractually required contribution	<u>(1,332,111)</u>	<u>(1,426,153)</u>	<u>(1,429,340)</u>	<u>(1,570,296)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 19,772,903	\$ 20,091,083	\$ 21,051,861	\$ 22,024,734
FRS contributions as a percentage of covered payroll	6.74%	7.10%	6.79%	7.13%
	<u>2018</u>	<u>2019</u>	<u>2020</u>	
Contractually required FRS contribution	\$ 1,717,280	\$ 1,903,110	\$ 2,186,868	
FRS contributions in relation to the contractually required contribution	<u>(1,717,280)</u>	<u>(1,903,110)</u>	<u>(2,186,868)</u>	
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Authority's covered payroll	\$ 22,823,877	\$ 23,834,076	\$ 24,883,857	
FRS contributions as a percentage of covered payroll	7.52%	7.98%	8.79%	

This schedule is intended to present data for 10 years. For years prior to 2014, data is unavailable. Additional years will be presented as they become available.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORINATE SHARE OF NET PENSION LIABILITY  
FLORIDA RETIREMENT SYSTEM - PENSION PLAN**

**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Proportion of the FRS net pension liability	0.0630379%	0.0626365%	0.0648132%	0.0635171%
Proportionate share of the FRS net pension liability	\$ 3,848,240	\$ 8,090,343	\$ 16,365,396	\$ 18,787,926
Authority's covered payroll	\$ 19,815,911	\$ 19,555,196	\$ 21,647,567	\$ 21,795,240
Authority's proportionate share of the FRS net pension liability as a percentage of covered payroll	19.42%	41.37%	75.60%	86.20%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.09%	92.00%	84.88%	83.89%
	<u>2018</u>	<u>2019</u>	<u>2020</u>	
Proportion of the FRS net pension liability	0.0636583%	0.0644148%	0.0669098%	
Proportionate share of the FRS net pension liability	\$ 19,174,210	\$ 22,183,563	\$ 28,999,693	
Authority's covered payroll	\$ 22,671,421	\$ 23,546,088	\$ 24,654,558	
Authority's proportionate share of the FRS net pension liability as a percentage of covered payroll	84.57%	94.21%	117.62%	
FRS Plan fiduciary net position as a percentage of the total pension liability	84.26%	82.61%	78.85%	

This schedule is intended to present data for 10 years. For years prior to 2014, data is unavailable. Additional years will be presented as they become available. The amounts presented for each fiscal year were determined as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Comprehensive Annual Financial Report. The discount rate decreased from 7.65% in 2015 to 7.60% in 2016; 7.10% in 2017; 7.00% in 2018; 6.90% in 2019; 6.80% in 2020. The mortality assumption was changed from Generational RP-2000 with Projection Scale BB tables to the PUB-2010 base table, projected generationally with Scale MP-2018 in 2019.



**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF EMPLOYER CONTRIBUTIONS  
FLORIDA RETIREMENT SYSTEM  
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM**

**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Contractually required HIS contribution	\$ 257,664	\$ 310,975	\$ 396,210	\$ 415,575
HIS contributions in relation to the contractually required contribution	<u>(257,664)</u>	<u>(310,975)</u>	<u>(396,210)</u>	<u>(415,575)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 22,185,466	\$ 22,716,328	\$ 23,868,058	\$ 25,034,650
HIS contributions as a percentage of covered payroll	1.16%	1.37%	1.66%	1.66%
	<u>2018</u>	<u>2019</u>	<u>2020</u>	
Contractually required HIS contribution	\$ 427,278	\$ 448,920	\$ 474,046	
HIS contributions in relation to the contractually required contribution	<u>(427,278)</u>	<u>(448,920)</u>	<u>(474,046)</u>	
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Authority's covered payroll	\$ 25,739,685	\$ 27,043,385	\$ 28,556,970	
HIS contributions as a percentage of covered payroll	1.66%	1.66%	1.66%	

This schedule is intended to present data for 10 years. For years prior to 2014, data is unavailable. Additional years will be presented as they become available.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF PROPORTINATE SHARE OF NET PENSION LIABILITY  
FLORIDA RETIREMENT SYSTEM  
RETIREE HEALTH INSURANCE SUBSIDY PROGRAM**

**Last Ten Fiscal Years**

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Proportion of the HIS net pension liability	0.0745754%	0.0739556%	0.0795028%	0.0776703%
Proportionate share of the HIS net pension liability	\$ 6,972,985	\$ 7,542,309	\$ 9,265,726	\$ 8,304,865
Authority's covered payroll	\$ 22,152,039	\$ 22,436,802	\$ 24,543,064	\$ 24,772,565
Authority's proportionate share of the HIS net pension liability as a percentage of it covered payroll	31.48%	33.62%	37.75%	33.52%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.99%	0.50%	0.97%	1.64%
	<u>2018</u>	<u>2019</u>	<u>2020</u>	
Proportion of the HIS net pension liability	0.0784037%	0.0797253%	0.0813023%	
Proportionate share of the HIS net pension liability	\$ 8,298,340	\$ 8,920,460	\$ 9,926,884	
Authority's covered payroll	\$ 25,608,028	\$ 26,663,556	\$ 28,213,241	
Authority's proportionate share of the HIS net pension liability as a percentage of it covered payroll	32.41%	33.46%	35.19%	
HIS Plan fiduciary net position as a percentage of the total pension liability	2.15%	2.63%	3.00%	

This schedule is intended to present data for 10 years. For years prior to 2014, data is unavailable. Additional years will be presented as they become available. The amounts presented for each fiscal year were determined as of the June 30 measurement date. The Plan's fiduciary net position as a percentage of the total pension liability is published in the Plan's Comprehensive Annual Financial Report. The discount rate decreased from 3.80% in 2015 to 2.85% in 2016; increased to 3.58% in 2017; 3.87% in 2018; decreased to 3.50% in 2019; decreased to 2.21% in 2020. The inflation rate decreased from 2.60% in prior actuarial valuations to 2.40% in 2020. Mortality assumption was updated from General RP-2000 with projected scale BB in prior actuarial valuations to Generational PUB-2010 with Projection Scale MP-2018 in 2020.

# **STATISTICAL SECTION**

# STATISTICAL SECTION

This part of the Solid Waste Authority’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Solid Waste Authority’s overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends.....	71
<i>These schedules contain trend information to help the reader understand how the Solid Waste Authority’s financial performance and well-being have changed over time.</i>	
Revenue Capacity .....	74
<i>These schedules contain information to help the reader assess the Solid Waste Authority’s most significant local revenue sources, the annual collection and disposal assessments and tipping fees.</i>	
Debt Capacity.....	84
<i>These schedules present information to help the reader assess the affordability of the Solid Waste Authority’s current levels of outstanding debt and the Solid Waste Authority’s ability to issue additional debt in the future.</i>	
Demographic and Economic Information.....	87
<i>These schedules offer demographic and economic indicators to help the reader understand the environment within which the Solid Waste Authority’s financial activities take place.</i>	
Operating Information .....	89
<i>These schedules contain service and facilities data to help the reader understand how the information in the Solid Waste Authority’s financial report relates to the services the Solid Waste Authority provides and the activities it performs.</i>	

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**NET POSITION BY COMPONENT**

**Last Ten Fiscal Years**

Year Ended September 30	Net Investment in Capital Assets	Restricted Net Position - Expendable			Unrestricted Net Position	Total Net Position
		Debt Service	Capital Improvements	Operating Reserve		
2011	\$ 310,998,476	\$43,315,793	\$28,801,675	\$ 17,690,851	\$ 70,426,540	\$ 471,233,335
2012	378,761,253	15,462,634	14,231,018	18,700,821	65,911,868	493,067,594
2013	409,041,801	17,488,998	13,296,621	19,509,114	83,337,585	542,674,119
2014	446,212,545	17,852,714	18,345,492	19,966,967	86,971,439	589,349,157
2015	463,171,079	12,162,299	12,324,469	24,179,761	104,437,282	616,274,890
2016	480,857,890	12,274,087	19,344,450	24,926,349	71,699,479	609,102,255
2017	429,531,556	38,772,900	11,570,557	24,907,431	100,325,374	605,107,818
2018	414,221,581	40,526,411	17,208,544	25,410,613	109,667,080	607,034,229
2019	432,584,867	40,074,547	23,215,688	25,781,356	116,984,840	638,641,298
2020	443,189,473	41,915,428	29,547,936	26,881,625	103,254,990	644,789,452

Source: Authority financial records.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**CHANGES IN NET POSITION**

**Last Ten Fiscal Years**

	<b>Fiscal Years Ended September 30,</b>			
	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
<b>Operating revenues</b>				
Assessments	\$190,645,339	\$200,240,836	\$200,381,476	\$195,603,597
Tipping fees	22,831,721	23,825,312	27,925,989	31,421,699
Electric generation	9,851,655	17,328,817	20,481,936	21,281,583
Recycling income	11,931,631	10,617,435	9,060,964	10,806,910
Franchise fees	1,633,343	1,606,204	1,450,295	1,344,554
Compost fees	831,334	831,334	831,334	831,334
Other revenues	58,246	57,697	110,476	792,942
	237,783,269	254,507,635	260,242,470	262,082,619
<b>Operating expenses</b>				
Franchise hauler contract payments	41,488,884	41,939,209	44,011,590	34,027,279
Contract payments to plant operators	37,712,563	43,191,393	44,768,109	45,557,698
Personal services	32,881,031	31,731,704	32,278,827	33,620,291
Depreciation and amortization	30,292,864	37,250,187	36,087,895	37,525,164
Landsite expenses	8,358,915	3,120,836	5,628,434	9,633,377
Contractual services	11,114,890	11,176,853	12,640,433	15,348,190
Repairs and maintenance	4,716,141	4,680,740	4,701,140	4,590,294
Other expenses	12,502,030	14,480,032	14,322,902	16,078,977
	179,067,318	187,570,954	194,439,330	196,381,270
<b>OPERATING INCOME</b>	58,715,951	66,936,681	65,803,140	65,701,349
<b>Nonoperating revenues (expenses)</b>				
Grant income	250,751	-	-	-
Investment income	1,144,260	2,188,706	1,261,126	775,604
Miscellaneous income	553,015	614,549	576,030	1,365,184
Gain (loss) on disposal of capital assets	770,415	(629,134)	1,106,454	1,996,256
Loss on extinguishment of debt	(4,558,383)	(1,292,642)	(1,195,384)	(1,194,907)
Interest expense	(11,237,044)	(33,156,503)	(20,331,877)	(22,625,551)
Other expense	-	(253,711)	(103,855)	-
	(13,076,986)	(32,528,735)	(18,687,506)	(19,683,414)
<b>INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS</b>	45,638,965	34,407,946	47,115,634	46,017,935
Capital contributions	2,110,077	741,386	2,490,891	657,103
<b>INCREASE (DECREASE) IN NET POSITION</b>	\$47,749,042	\$35,149,332	\$49,606,525	\$46,675,038

Source: Authority financial records.

**Fiscal Years Ended September 30,**

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
\$196,645,513	\$191,653,425	\$191,553,915	\$197,454,060	\$203,681,416	\$209,959,357
35,222,136	40,066,074	42,246,994	42,952,820	47,194,333	49,009,905
25,606,784	37,548,144	37,960,547	39,538,930	43,621,461	40,393,171
9,767,381	8,419,940	11,080,401	8,720,428	8,131,321	8,609,874
1,281,758	1,253,400	1,259,435	1,338,711	1,490,997	1,904,940
-	-	-	-	-	-
497,155	314,198	284,450	2,348,557	286,308	52,789
<u>269,020,727</u>	<u>279,255,181</u>	<u>284,385,742</u>	<u>292,353,506</u>	<u>304,405,836</u>	<u>309,930,036</u>
33,701,772	33,307,461	34,151,678	34,843,659	42,101,202	48,063,110
57,174,102	63,709,248	65,678,893	67,781,566	71,167,005	72,970,449
33,630,134	37,868,445	40,543,773	40,551,925	45,766,109	48,587,908
42,154,314	67,469,826	70,849,791	65,735,367	66,532,810	62,681,112
4,091,016	3,769,780	5,895,936	7,427,393	5,604,347	4,833,151
13,377,465	11,880,816	17,041,246	45,900,272	13,265,101	15,039,740
4,458,768	4,275,953	4,063,044	4,607,034	4,267,797	4,945,588
15,724,400	16,332,680	16,817,239	16,843,399	17,992,510	17,348,790
<u>204,311,971</u>	<u>238,614,209</u>	<u>255,041,600</u>	<u>283,690,615</u>	<u>266,696,881</u>	<u>274,469,848</u>
64,708,756	40,640,972	29,344,142	8,662,891	37,708,955	35,460,188
-	-	1,341,298	19,584,021	17,003,773	8,497
897,341	1,384,183	2,745,310	6,230,702	14,501,402	12,200,067
426,400	443,109	511,444	342,576	580,754	468,027
803,786	2,134,952	802,976	1,422,402	927,182	1,001,471
(1,107,616)	(8,683,762)	-	-	-	(535,173)
(23,411,800)	(43,092,089)	(38,739,607)	(34,256,745)	(39,619,843)	(42,454,923)
-	-	-	-	(320,070)	-
<u>(22,391,889)</u>	<u>(47,813,607)</u>	<u>(33,338,579)</u>	<u>(6,677,044)</u>	<u>(6,926,802)</u>	<u>(29,312,034)</u>
42,316,867	(7,172,635)	(3,994,437)	1,985,847	30,782,153	6,148,154
-	-	-	300,564	824,916	-
<u>\$42,316,867</u>	<u>(\$7,172,635)</u>	<u>(\$3,994,437)</u>	<u>\$2,286,411</u>	<u>\$31,607,069</u>	<u>6,148,154</u>

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**DISPOSAL ASSESSMENT RATES**

**Last Ten Fiscal Years**

<u>Year Ended September 30</u>	<u>Residential Assessment (per unit)</u>		
	<u>Single Family</u>	<u>Multi- Family</u>	<u>Mobile Home</u>
2011	\$ 166.00	\$ 94.00	\$ 159.00
2012	174.00	99.00	167.00
2013	174.00	99.00	167.00
2014	174.00	100.00	167.00
2015	175.00	100.00	168.00
2016	170.00	97.00	163.00
2017	170.00	97.00	163.00
2018	172.00	98.00	165.00
2019	175.00	98.00	167.00
2020	175.00	97.00	166.00

Source: Authority financial records.

Note: The Authority levies residential assessments on a per unit basis for all of Palm Beach County. No other governments apply rates to this revenue base and, accordingly, no overlapping government rates apply.



Commercial Assessment (per square foot)

<u>Low Generator</u>	<u>Medium Generator</u>	<u>High Generator</u>	<u>Non- Generator</u>	<u>Agriculture (per year)</u>
\$ 0.075	\$ 0.200	\$ 1.064	\$ 0.011	\$ 400.00
0.082	0.216	1.154	0.011	400.00
0.081	0.214	1.140	0.011	400.00
0.081	0.214	1.147	0.011	400.00
0.081	0.214	1.147	0.011	400.00
0.075	0.198	1.068	0.011	400.00
0.074	0.196	1.038	0.011	400.00
0.075	0.202	1.095	0.011	400.00
0.075	0.197	1.068	0.011	400.00
0.075	0.197	1.068	0.011	400.00

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**CURBSIDE COLLECTION ASSESSMENT RATES**

**Last Ten Fiscal Years**

Year Ended September 30	Collection Assessment District										
	1	2	3	4	5	6	7	8	9	10	11
2011	\$ 283	\$ 336	\$ 170	\$ 163	\$ 138	\$ 106	\$ 183	\$ 365	\$ 474	\$ 236	\$ 135
2012	291	346	175	168	142	109	154	376	488	243	139
2013	291	346	175	168	142	109	161	376	488	243	139
2014	165	176	139	143	206	N/A	N/A	N/A	N/A	N/A	N/A
2015	166	178	141	145	209	N/A	N/A	N/A	N/A	N/A	N/A
2016	169	181	143	146	212	N/A	N/A	N/A	N/A	N/A	N/A
2017	170	182	144	148	214	N/A	N/A	N/A	N/A	N/A	N/A
2018	170	182	144	148	214	N/A	N/A	N/A	N/A	N/A	N/A
2019	210	207	169	169	317	N/A	N/A	N/A	N/A	N/A	N/A
2020	244	307	170	172	334	238	N/A	N/A	N/A	N/A	N/A

Source: Authority financial records.

N/A - Unincorporated Area of the County.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**CONTAINER COLLECTION ASSESSMENT RATES**

**Last Ten Fiscal Years**

Year Ended September 30	Collection Assessment District										
	1	2	3	4	5	6	7	8	9	10	11
2011	\$ 99	\$ 71	\$ 52	\$ 62	\$ 75	\$ 75	\$ 53	\$ 80	\$ 165	\$ 68	\$ 75
2012	102	73	53	64	77	77	46	82	170	70	77
2013	101	73	53	64	77	77	47	82	170	70	77
2014	88	93	84	84	177	N/A	N/A	N/A	N/A	N/A	N/A
2015	88	84	84	85	179	N/A	N/A	N/A	N/A	N/A	N/A
2016	90	95	86	86	182	N/A	N/A	N/A	N/A	N/A	N/A
2017	90	96	86	87	183	N/A	N/A	N/A	N/A	N/A	N/A
2018	90	96	86	87	183	N/A	N/A	N/A	N/A	N/A	N/A
2019	111	108	84	99	242	N/A	N/A	N/A	N/A	N/A	N/A
2020	128	107	83	82	255	106	N/A	N/A	N/A	N/A	N/A

Source: Authority financial records.

N/A - Unincorporated Area of the County.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**DISPOSAL AND COLLECTION ASSESSMENT LEVIES AND COLLECTIONS**

**Last Ten Fiscal Years**

<u>Year Ended September 30</u>	<u>Assessments Levied</u>	<u>Current Assessment Collections</u>	<u>Percent of Assessment Collected</u>	<u>Delinquent Assessment Collections</u>	<u>Total Assessment Collections</u>	<u>Collections as a Percent of Current Assessments Levied</u>
2011	\$ 185,765,557	\$ 183,967,479	99.03 %	\$ 926,904	\$ 184,894,383	99.53 %
2012	199,235,505	199,138,167	99.95	1,102,669	200,240,836	100.50
2013	199,913,077	199,837,915	99.96	543,561	200,381,476	100.23
2014	194,832,531	194,959,058	100.06	644,539	195,603,597	100.40
2015	197,457,965	195,931,742	99.23	713,771	196,645,513	99.59
2016	190,348,292	190,875,597	100.28	777,828	191,653,425	100.69
2017	190,199,168	191,300,962	100.58	252,952	191,553,914	100.71
2018	196,125,469	196,590,160	100.24	863,900	197,454,060	100.68
2019	202,428,643	203,186,247	100.37	495,169	203,681,416	100.62
2020	208,386,983	209,577,748	100.57	381,609	209,959,357	100.75

Source: Authority financial records.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**TEN LARGEST ASSESSMENT PAYERS**

**Current Year and Nine Years Ago**

Customer Name	2020			2011		
	Assessment Paid	Rank	Percentage of Total Assessment Revenue	Assessment Paid	Rank	Percentage of Total Assessment Revenue
Boca T Rex Borrower LLC	\$ 388,257	1	0.185 %	\$ 393,043	1	0.206 %
Boca Owner LLC	265,956	2	0.127	264,437	2	0.139
Town Center at Boca Raton Trust	228,889	4	0.109	213,109	4	0.112
United Aircraft Corp	196,824	5	0.094	246,303	3	0.129
Costco Wholesale Corp	251,154	3	0.120			
TM Wellington Green Mall LP	182,856	6	0.087	183,686	5	0.096
Gardens Venture LLC	180,414	7	0.086	179,050	7	0.094
Land Resources Inv CO	177,572	8	0.085	179,955	6	0.094
GLL US Retail LP	162,746	9	0.078	156,476	10	0.082
Excel Gardens LLC	162,028	10	0.077			
Breakers Palm Beach Inc				158,402	9	0.083
Tenet St Marys Inc				160,320	8	0.084
	<u>\$ 2,196,696</u>		<u>1.048 %</u>	<u>\$ 2,134,781</u>		<u>1.119 %</u>

Source: Authority financial records.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**TIPPING FEE RATES**

**Last Ten Fiscal Years**

Type of Waste (1)	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Garbage and trash										
Commercial	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42
Out-of-County	160	160	159	153	153	143	137	141	136	138
Building / land clearing	40	40	40	45	45	45	45	48	52	52
Construction debris recycling residue	42	21	21	21	21	25	25	25	25	25
Restricted use fill	4	4	4	4	4	4	4	4	4	4
Tires:										
Whole passenger	190	190	190	190	190	35	35	35	35	55
Whole truck	190	190	190	190	190	190	190	190	190	190
Shredded	25	25	25	25	25	10	10	10	10	10
Special waste - class A	65	65	65	65	65	65	65	65	65	65
Special waste - class B	150	150	150	150	150	150	150	150	150	150
Vegetation	25	25	25	-	25	25	25	25	30	30
White goods	10	10	10	10	10	10	10	10	10	10
Dewatered sludge	-	-	100	100	100	100	100	100	100	100
Dewatered sludge - ECR	-	-	13	-	-	-	-	-	-	-
Trailer (mobile homes or recreational vehicles)	90	90	90	90	90	90	90	90	90	90
Whole animals	-	30	30	30	30	30	30	30	30	30
Minimum charge (per visit)	2	2	2	2	2	2	2	4	4	4

Source: Authority financial records.

(1) Rates are per ton unless otherwise indicated.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**WASTE DISPOSAL AND RECYCLING VOLUME**

**Last Ten Fiscal Years**

Year Ended September 30	Garbage (Tons)	Trash & Other Waste (Tons)	Total (Tons)	Annual Percentage Increase (Decrease)	Recycled Materials (Tons)	Annual Percentage Increase (Decrease)	Tipping Fee Rates	
							Garbage and Trash (per Ton)	Other Waste (1) (per Ton)
2011	891,310	619,557	1,510,867	(1.2)	110,123	(3.0)	42.00	40.00
2012	913,756	593,930	1,507,686	(0.2)	106,308	(3.5)	42.00	40.00
2013	935,446	782,623	1,718,069	14.0	106,361	0.0	42.00	42.00
2014	957,482	866,073	1,823,555	6.1	102,413	(3.7)	42.00	45.00
2015	(2) 976,746	843,650	1,820,396	(0.2)	98,128	(4.2)	42.00	45.00
2016	(2) 1,019,211	977,180	1,996,391	9.7	93,569	(4.6)	42.00	45.00
2017	(2) 1,034,513	965,533	2,000,046	0.2	90,278	(3.5)	42.00	45.00
2018	(2) 1,052,361	959,343	2,011,704	0.6	92,345	2.3	42.00	48.00
2019	(2) 1,054,016	1,035,887	2,089,903	3.9	98,359	6.5	42.00	52.00
2020	(2) 1,054,708	1,094,280	2,148,988	2.8	111,093	12.9	42.00	52.00

Source: Authority financial records.

(1) Rate is for building and land clearing debris. See page 80 for other tipping fee rates.

(2) The Authority began receiving supplemental waste from outside the county pursuant to a contract designed to leverage the available capacity at REF #2.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**TEN LARGEST TIPPING FEE CUSTOMERS**

**Current Year and Nine Years Ago**

	<b>2020</b>			<b>2011</b>		
	<b>Tipping Fee Revenue</b>	<b>Rank</b>	<b>Percentage of Total Tipping Fee Revenue</b>	<b>Tipping Fee Revenue</b>	<b>Rank</b>	<b>Percentage of Total Tipping Fee Revenue</b>
Waste Management of PB	\$ 8,392,834	1	17.12 %	\$ 3,820,319	1	16.73 %
Waste Pro of Florida Inc	4,123,918	2	8.41	321,996	10	1.41
West Palm Beach Utilities Dept	2,921,225	3	5.96			
City of Boynton Beach	2,135,204	4	4.36	1,052,356	6	4.61
Waste Management Inc of Florida	1,998,508	5	4.08			
Advanced Disposal Services	1,942,156	6	3.96			
City of West Palm Beach Public Works	1,630,598	7	3.33	2,698,366	2	11.82
Waste Management of Martin County	1,157,985	8	2.36	1,408,469	4	6.17
South Central Regional WWTB Board	1,146,554	9	2.34	825,705	8	3.62
PBC Utilities	1,117,042	10	2.28			
Republic Services				1,430,973	3	6.27
Southern Waste Systems				1,010,660	7	4.43
City of Boca Raton				1,079,884	5	4.73
Veolia Environmental Svices				344,875	9	1.51
	<u>\$ 26,566,024</u>		<u>54.20 %</u>	<u>\$ 13,993,603</u>		<u>61.30 %</u>

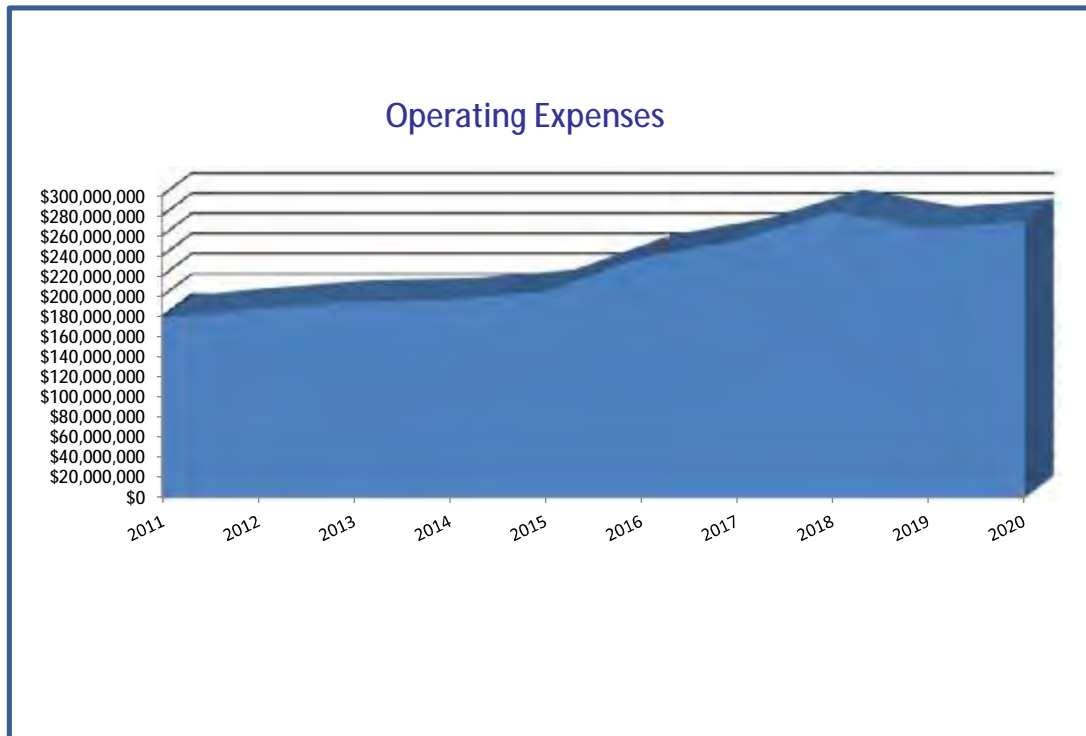
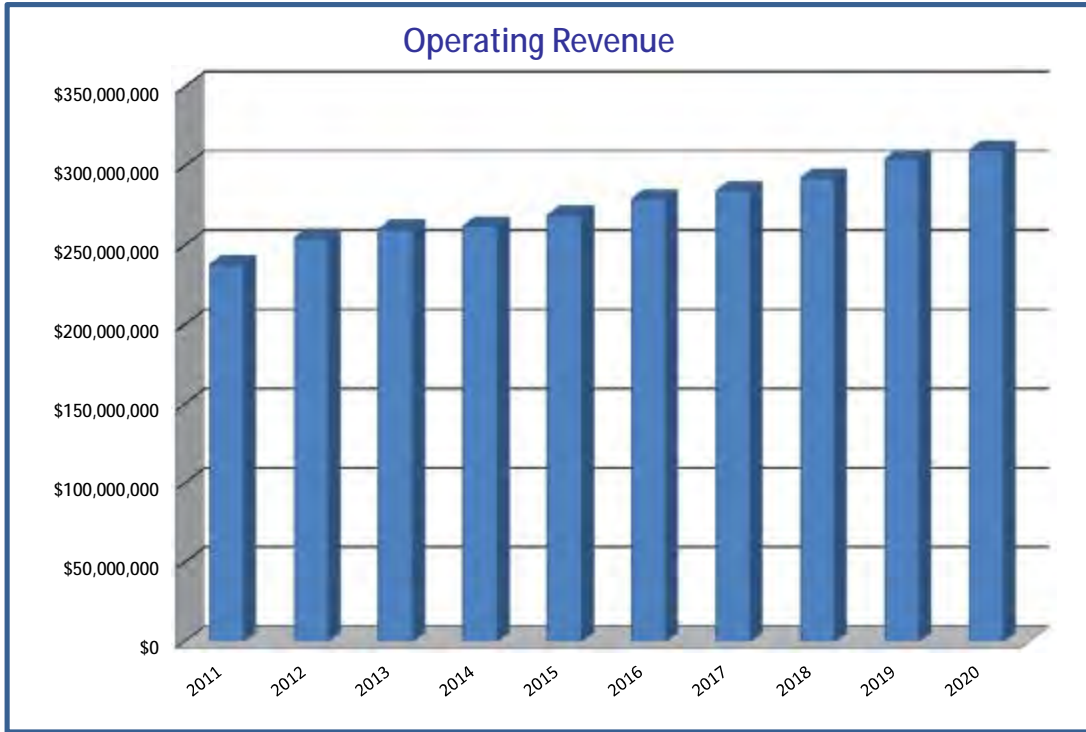
Source: Authority financial records.



SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

GRAPH OF OPERATING REVENUE AND EXPENSES

Last Ten Fiscal Years



Source: Authority financial records.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**OUTSTANDING DEBT BY TYPE**

**Last Ten Fiscal Years**

<u>Year Ended</u> <u>September 30</u>	<u>Revenue Bonds</u> <u>Payable</u>	<u>Note</u> <u>Payable</u>	<u>Unamortized</u> <u>Premiums</u>	<u>Accreted</u> <u>Interest</u>	<u>Total</u> <u>Outstanding</u> <u>Debt</u>	<u>Percentage</u> <u>of Personal</u> <u>Income</u>	<u>Debt</u> <u>Per</u> <u>Capita</u>
2011	\$ 479,810,189	\$ 68,000,000	\$ 4,271,698	\$ 31,660,843	\$ 583,742,730	0.83%	\$ 437.51
2012	1,029,204,386	64,000,000	45,742,726	24,093,878	1,163,040,990	1.54%	811.70
2013	1,004,284,800	60,000,000	43,285,347	17,794,375	1,125,364,522	1.57%	757.04
2014	978,118,800	56,000,000	40,827,967	9,726,691	1,084,673,458	1.52%	730.97
2015	871,285,000	52,000,000	53,593,763	-	976,878,763	1.31%	632.82
2016	776,200,000	48,000,000	47,840,832	-	872,040,832	0.89%	626.58
2017	771,635,000	44,000,000	41,484,460	-	857,119,460	0.83%	615.86
2018	736,895,000	40,000,000	37,835,246	-	814,730,246	0.74%	568.38
2019	1,048,045,000	-	34,186,032	-	1,082,231,032	0.91%	747.47
2020	985,080,000	-	31,048,845	-	1,016,128,845	0.82%	692.90

Source: Authority financial records.

Note: The Authority has no limit on total debt, but must comply with the revenue bond coverage requirement on page 85.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**REVENUE BOND DEBT SERVICE COVERAGE**

**Last Ten Fiscal Years**

Year Ended September 30	Revenues (1)	Expenses (2)	Net Revenue Available For Debt Service	Debt Service Requirements		Debt Service Coverage (3)	
				Revenue Bonds	Note Payable	Revenue Bonds	All Debt
2011	\$ 195,069,081	\$ 94,491,248	\$ 100,577,833	\$ 63,161,324	\$ 4,665,828	1.59	1.48
2012	211,863,785	102,302,623	109,561,162	58,331,067	4,623,742	1.88	1.74
2013	217,437,432	104,782,102	112,655,330	62,141,074	4,570,389	1.81	1.69
2014	224,660,345	113,926,974	110,733,371	62,240,024	4,517,225	1.78	1.66
2015	230,589,097	122,420,462	108,168,635	50,648,122	4,485,287	2.14	1.96
2016	240,587,682	131,670,142	108,917,540	49,214,235	4,516,414	2.21	2.03
2017	245,043,094	140,120,267	104,922,827	70,605,741	4,616,880	1.49	1.39
2018	252,459,900	139,648,769	112,811,131	70,071,191	4,776,067	1.61	1.51
2019	263,663,409	149,776,605	113,886,804	71,816,616	4,428,805	1.59	1.48
2020	259,709,820	156,090,207	103,619,613	71,620,507	-	1.45	1.45

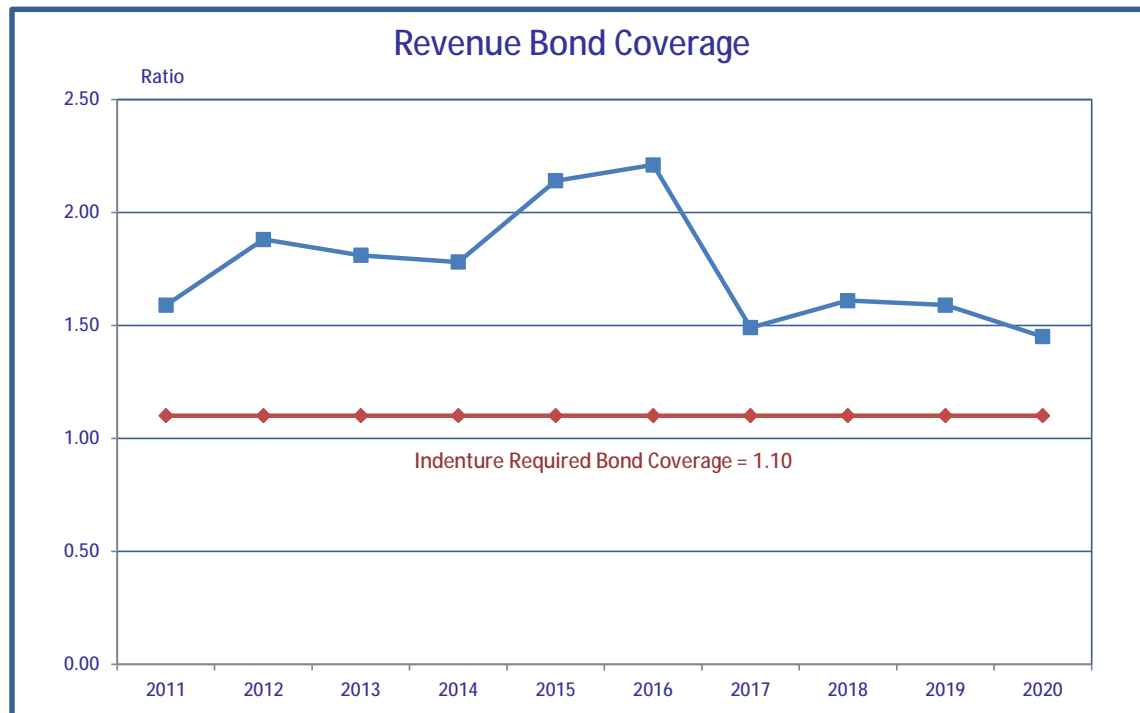
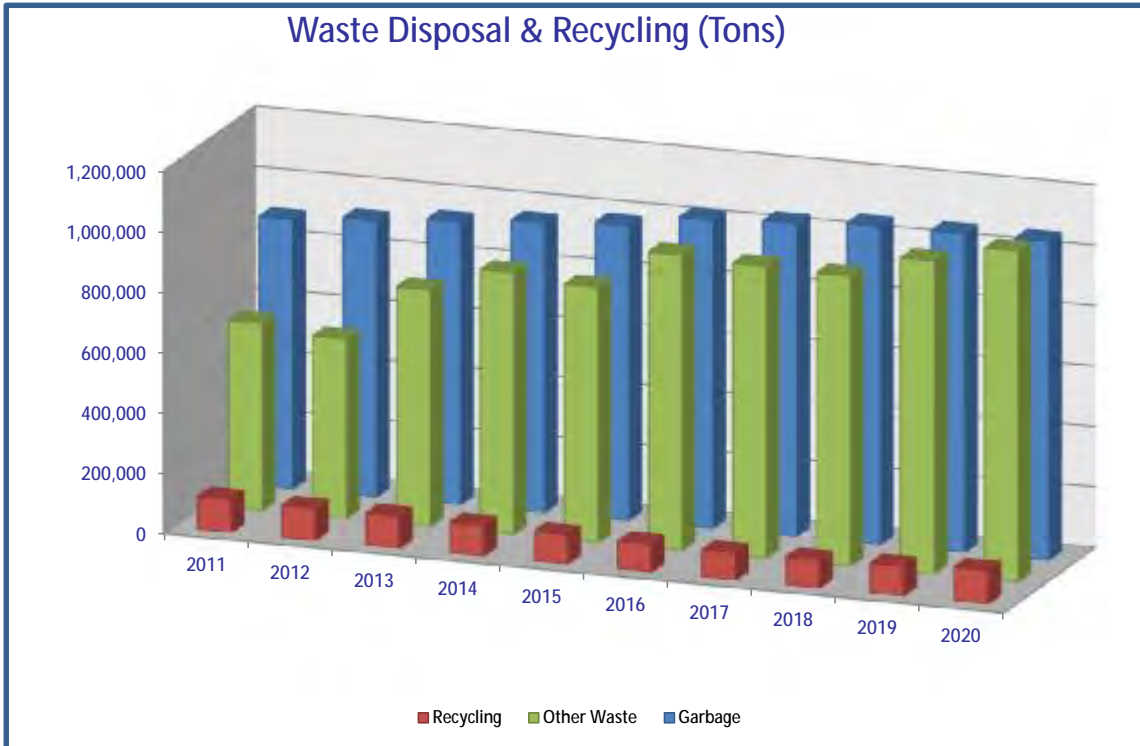
- (1) Revenues are calculated in accordance with the legal requirements of the bond documents, which define revenues as total revenues from the use of the Solid Waste System, excluding certain collection assessments and franchise fees for unincorporated areas of the County and including investment earnings not restricted for construction.
- (2) Expenses are calculated in accordance with the legal requirements of the bond documents, which define expenses as operating expenses excluding franchise hauler contract payments, depreciation and amortization, grant expenses, certain recycling expenses and certain repair, maintenance, engineering, legal and other contractual services for unincorporated areas of the County.
- (3) The Trust Indenture requires the Authority to maintain net revenues in each fiscal year equal to 110% of annual debt service requirements. For full disclosure, debt service coverage is reported for both revenue bond debt service requirements and also for debt service requirements that include subordinate debt.

Source: Authority financial records.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**GRAPH OF WASTE DISPOSAL AND RECYCLING TONNAGE  
GRAPH OF REVENUE BOND COVERAGE**

**Last Ten Fiscal Years**



Source: Authority financial records.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**

**Last Ten Fiscal Years**

<u>Year Ended September 30</u>	<u>County Population (1)</u>	<u>Estimated Total Personal Income (2) (In thousands)</u>	<u>Per Capita Personal Income (2)</u>	<u>Median Age (2)</u>	<u>Education Level in Years of Formal Schooling</u>	<u>School Enrollment (2)</u>	<u>Unemployment Rate (2)</u>
2011	1,325,758	\$ 73,546,909	\$ 57,461	42.2	N/A	174,217	10.3%
2012	1,335,187	71,572,847	61,712	43.7	N/A	202,013	8.2%
2013	1,415,299	75,461,490	60,856	43.7	N/A	177,815	6.7%
2014	1,372,682	79,234,565	62,438	43.2	N/A	183,336	5.6%
2015	1,374,312	93,526,272	69,122	44.0	N/A	186,526	5.3%
2016	1,391,741	97,806,900	68,743	43.2	N/A	188,808	4.7%
2017	1,414,144	103,876,015	71,946	44.3	N/A	194,323	3.6%
2018	1,433,417	109,973,732	74,754	44.4	N/A	195,289	3.7%
2019	1,447,857	118,519,249	81,858	43.5	N/A	196,581	3.2%
2020	1,466,494	124,632,614	83,268	44.6	N/A	198,118	7.3%

**Data Sources:**

- (1) Population data for 2011 through 2020 was obtained from the Business Development Board of Palm Beach
- (2) Median age data from the U.S. Census Bureau; estimated total personal income from the Bureau of Economic Analysis; school enrollment from the School Board of Palm Beach County; and unemployment rate data from the Bureau of Labor Statistics (2020 is as of August 2020).

N/A - Not Available

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**PRINCIPAL COUNTY EMPLOYERS**

**Current Year and Nine Years Ago**

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board	22,049	1	1.5 %	15,677	1	2.8 %
Palm Beach County	11,691	2	0.8	9,000	2	1.6
Tenet HealthCare Corp.	6,505	3	0.4	5,127	3	0.9
FPL (NextEra Energy) Headquarters	4,807	4	0.3	3,658	5	0.7
Florida Atlantic University	2,898	5	0.2	2,776	7	0.5
Hospital Corp. Of America	2,806	6	0.2	4,150	4	0.8
Boca Raton Regional Hospital	2,800	7	0.2			
Veterans Health Administration	2,700	8	0.2	2,205	9	0.4
The Breakers	2,300	9	0.2			
Bethesda Health, Inc.	2,282	10	0.2	2,300	8	0.4
Wackenhut Corporation				3,000	6	0.5
Boca Raton Resort & Club				2,200	10	0.4
	<u>60,838</u>		<u>4.2 %</u>	<u>50,093</u>		<u>9.0 %</u>

Source: Business Development Board of Palm Beach County, Florida (last updated January 2020).

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**FULL-TIME AUTHORITY EMPLOYEES BY FUNCTION**

**Last Ten Fiscal Years**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Office of the Executive Director	10	10	8	7	7	7	7	36	36	9
Administration*	65	61	70	52	52	52	55	-	-	-
Finance	100	95	76	77	77	77	78	78	83	85
Engineering & Public Works	-	-	-	18	18	18	18	31	32	55
Operations	<u>262</u>	<u>252</u>	<u>264</u>	<u>264</u>	<u>264</u>	<u>264</u>	<u>261</u>	<u>274</u>	<u>274</u>	<u>280</u>
<b>Total</b>	<u><u>437</u></u>	<u><u>418</u></u>	<u><u>418</u></u>	<u><u>418</u></u>	<u><u>418</u></u>	<u><u>418</u></u>	<u><u>419</u></u>	<u><u>419</u></u>	<u><u>425</u></u>	<u><u>429</u></u>

Source: Authority financial records.

\*The Administration Division was reorganized in FY 2018, with its departments reporting to the Executive Director, Engineering and Operations Divisions, and again in FY 2020 with its departments now reporting to the Engineering and Operations Divisions. The above table also reflects internal transfers by Fiscal Year.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**CAPITAL ASSET STATISTICS BY FUNCTION**

September 30, 2020

**Landfills**

Name	Size	Status
NCSWDF	333 acres	Active
WCSWDF	1,600 acres	Held for future need
Dyer Boulevard	405 acres	Closed - 1990 (active County Public Park)
Belle Glade	11 acres	Closed - 1990
Lantana Road	245 acres	Closed - 1987 (active County Public Golf Course)
Pahokee	13 acres	Closed - 1984
Cross State	78 acres	Closed - 1978

**Transfer Facilities**

Name	Size	Status
West County Transfer Station (WCTS), Belle Glade	500 TPD	Active
South County Transfer Station (SCTS), Delray Beach	1,000 TPD	Active
Central County Transfer Station (CCTS), Lantana	2,400 TPD	Active
North County Transfer Station (NCTS), Jupiter	1,900 TPD	Active
West Central County Transfer Station (WCCTS), Royal Palm Beach	1,900 TPD	Active
South West County Transfer Station (SWCTS), West Delray Beach	2,400 TPD	Active

**Palm Beach Renewable Energy Park (PBREP)**

PBREF #1	Refuse Derived Fuel (RDF) 61.3 megawatt turbo generator 2,000 TPD capacity Operational - November 1989
PBREF #2	Direct Fire Municipal Solid Waste (Mass Burn) 96.1 megawatt steam turbine generator 3,000 TPD capacity Operational - July 2015

**Other Facilities at PBREP**

		Status
Administrative Building	42,000 square feet	Active
Maintenance Building	39,000 square feet	Active
Waste Water Disposal System	10,000 GPM	Active
Landfill Operations Building	5,600 square feet	Active
Scale Facility WTE	1,141 square feet	Active
Scale Facility Landfill	1,141 square feet	Active
Recovered Metals Transfer Facility	40,849 square feet	Active
Facilities Maintenance Building	11,804 square feet	Active

Source: Authority financial records.



**Other Facilities at NCRRF Site (Continued)**

	Status
Water Supply System 1,800 GPM	Active
Household Hazardous Waste Facility 2,500 square feet	Active
Biosolids Processing Facility 600 TPD	Active
Recovered Materials Processing Facility 975 TPD	Active

**Other Equipment**

Gas Recovery Systems	Capacity	Status
Lantana Road Landfill	3,240,000 SCF/Day	Inactive
Dyer Landfill	4,104,000 SCF/Day	Active
NCSWDF	7,632,000 SCF/Day	Active

**Number of Months in Operation**

Year Ended September 30,	Landfill		Transfer Facilities				
	NCSWDF	Glades	South County	Central County	North County	West Central	South West
2011	12	12	9	12	12	12	3
2012	12	12	-	12	12	12	12
2013	12	12	10	12	12	12	12
2014	12	12	12	12	12	12	12
2015	12	12	12	12	12	12	12
2016	12	12	12	12	12	12	12
2017	12	12	12	12	12	12	12
2018	12	12	12	12	12	12	12
2019	12	12	12	12	12	12	12
2020	12	12	12	12	12	12	12

Abbreviations

PBREP	- Palm Beach Renewable Energy Park
NCSWDF	- North County Solid Waste Disposal Facility
WCSWDF	- West County Solid Waste Disposal Facility
PBREF	- Renewable Energy Facility
TPD	- Tons per day
TPY	- Tons per year
GPM	- Gallons per minute
SCF	- Standard cubic feet

Source: Authority financial records.

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**OPERATING INDICATORS**

**Last Ten Fiscal Years**

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<b>Operating Indicators</b>				
Number of personnel				
Waste to energy facility (1)	-	3	3	3
Transfer stations	117	121	121	126
Landfill operations	36	32	32	32
Recycling (1)	16	15	15	15
<b>Workload Indicators</b>				
Tons of Waste processed (net of unprocessed)				
Waste to energy facility	699,242	900,239	900,310	868,819
Landfill materials	697,071	689,618	760,314	977,571
Recyclable materials	110,123	107,896	106,308	102,114
Cubic yards of landfill space				
Used during the year	855,616	583,983	1,170,680	823,422
Available at end of year	30,939,846	30,355,863	29,185,183	28,361,761
Estimated remaining life in years	36	34	33	34
<b>Effectiveness Indicators</b>				
Percentage of days that environmental standards were met				
Waste to energy facility	100%	100%	100%	100%
Landfill operations	100%	100%	100%	100%
Percentage of regulatory inspections detecting problems				
Waste to energy facility (smoke, dust, ash)	0%	0%	0%	0%
Landfill operations (odor, debris, noise)	0%	0%	0%	0%
Number of citizen complaints (odor)				
Waste to energy facility	-	-	-	-
Landfill operations	18	76	46	149
Other facilities	14	1	15	7

Notes:

- (1) Does not include personnel employed N/A - Information not available at date of publication.
- (2) Includes Authority permitted facilities.

N/A - Information not available at date of publication.

Source: Authority financial records.

2015	2016	2017	2018	2019	2020
4	4	4	4	4	4
126	126	126	126	131	129
32	31	31	31	27	27
15	15	15	15	15	15
1,230,986	1,722,169	1,745,253	1,713,718	1,813,788	1,813,664
796,753	712,038	614,134	673,767	620,161	625,562
98,616	95,798	90,291	92,345	98,403	111,093
553,719	299,675	304,647	442,759	435,967	367,509
28,019,657	27,825,245	24,998,533	24,681,879	27,294,377	26,926,868
32	33	33	33	32	34
100%	100%	98%	100%	100%	100%
100%	100%	100%	100%	100%	100%
0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%
-	-	-	-	-	-
40	14	9	3	6	8
3	8	8	1	2	1

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**OPERATING INDICATORS (Continued)**

**Last Ten Fiscal Years**

<b>Efficiency Indicators</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>
Percentage of waste reduction to total tons of waste received by				
Waste to energy facility - REF#1	58.96%	58.98%	57.59%	56.35%
Waste to energy facility - REF#2	-	-	-	-
Recycling (2)	41.60%	53.97%	54.81%	55.48%

Notes:

- (1) Does not include personnel employed by independent operator of NCRRF and MRF.
- (2) Includes Authority permitted facilities.

N/A - Information not available at date of publication.

Source: Authority financial records.

<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>
52.42%	61.24%	60.50%	60.48%	60.34%	60.12%
72.40%	70.48%	74.41%	75.11%	81.57%	76.58%
72.03%	71.71%	70.00%	65.00%	73.14%	N/A

**SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA**

**MISCELLANEOUS STATISTICS**

September 30, 2020

**POPULATION (1)**

Age Distribution

<u>Range of Ages</u>	<u>Percent of Population</u>
0-5	5%
5-19	16%
20-44	29%
45-64	26%
65 and over	24%

**AREA**

Palm Beach County

2,385 square miles

**MUNICIPALITIES**

39

**VALUE OF REAL PROPERTY (2)**

January 1, 2011	163,394,796,497
January 1, 2012	163,642,421,991
January 1, 2013	163,255,147,844
January 1, 2014	171,884,068,213
January 1, 2015	192,820,341,023
January 1, 2016	217,610,910,675
January 1, 2017	236,353,370,514
January 1, 2018	263,871,905,280
January 1, 2019	276,910,929,158
January 1, 2020	288,618,967,306

Sources:

(1) U.S. Census Bureau (PBC estimates last updated 11/2020)

(2) Palm Beach County Property Appraisers Office

**COMPLIANCE REPORTS AND  
MANAGEMENT LETTER**



# NOWLEN, HOLT & MINER, P.A.

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

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The Honorable Chair and Members of the  
Solid Waste Authority Board  
Solid Waste Authority of Palm Beach County  
West Palm Beach, 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 Authority of Palm Beach County, Florida, as of and for the year ended September 30, 2020, and the related notes to the financial statements, which collectively comprise the Solid Waste Authority of Palm Beach County, Florida's basic financial statements, and have issued our report thereon dated February 8, 2021.

### **Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Solid Waste Authority of Palm Beach County, Florida's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Solid Waste Authority of Palm Beach County, Florida's internal control. Accordingly, we do not express an opinion on the effectiveness of the Solid Waste Authority of Palm Beach County, Florida'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 may exist that have not been identified.



## **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Solid Waste Authority of Palm Beach County, Florida'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 entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Nowlen, Holt & Mimer, P.A.*

West Palm Beach, Florida  
February 8, 2021



# NOWLEN, HOLT & MINER, P.A.

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## MANAGEMENT LETTER IN ACCORDANCE WITH THE RULES OF THE AUDITOR GENERAL OF THE STATE OF FLORIDA

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The Honorable Chair and Members of the  
Solid Waste Authority Board  
Solid Waste Authority of Palm Beach County  
West Palm Beach, Florida

### Report on the Financial Statements

We have audited the financial statements of the Solid Waste Authority of Palm Beach County, Florida (the "Authority"), as of and for the fiscal year ended September 30, 2020, and have issued our report thereon dated February 8, 2021.

### Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; and Chapter 10.550, Rules of the Auditor General.

### Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with *Government Auditing Standards* and Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, Rules of the Auditor General. Disclosures in those reports and schedule, which are dated February 8, 2021, should be considered in conjunction with this Management Letter.

### Prior Audit Findings

Section 10.554(1)(i)1., Rules of the Auditor General, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding financial audit report. There were no findings or recommendations in the prior year that required corrective actions.

### **Official Title and Legal Authority**

Section 10.554(1)(i)4., Rules of the Auditor General, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in this Management Letter, unless disclosed in the notes to the financial statements. This information is disclosed in Note A to the financial statements. There were no component units included in the Authority's financial statements.

### **Financial Condition and Management**

Sections 10.554(1)(i)5.a. and 10.556(7), Rules of the Auditor General, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the Authority met one or more of the conditions described in Section 218.503(1), Florida Statutes, and to identify the specific condition(s) met. In connection with our audit, we determined that the Authority did not meet any of the conditions described in Section 218.503(1), Florida Statutes, as of and for the year ended September 30, 2020.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8), Rules of the Auditor General, we applied financial condition assessment procedures for the Authority. It is management's responsibility to monitor the Authority's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same. Our assessment was done as of the fiscal year end. The results of our procedures did not disclose any matters that are required to be reported.

Section 10.554(1)(i)2., Rules of the Auditor General, requires that we communicate any recommendations to improve financial management. In connection with our audit, we did not have any such recommendations.

### **Special District Component Units**

Section 10.554(1)(i)5.c, Rules of the Auditor General, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality, or special district, to provide the financial information necessary for proper reporting of the component unit, within the audited financial statements of the county, municipality, or special district in accordance with Section 218.39(3)(b), Florida Statutes. In connection with our audit, we noted the Authority provided a copy of its 2020 audited financial statements to Palm Beach County, Florida, for proper reporting within the audited financial statements of the County in accordance with Section 218.39(3)(b), Florida Statutes.

Based on the application of criteria in publications cited in Section 10.553, Rules of the Auditor General, there are no special district component units of the Solid Waste Authority of Palm Beach County, Florida.

### **Additional Matters**

Section 10.554(1)(i)3., Rules of the Auditor General, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

### **Single Audits**

The Authority expended less than \$750,000 of federal awards and less than \$750,000 of state financial assistance for the year ended September 30, 2020. Therefore, the Authority was not required to have a federal single audit or a state single audit.

**Purpose of this Letter**

Our Management Letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Solid Waste Authority Board, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Nowlen, Holt & Mimes, P.A.*

West Palm Beach, Florida  
February 8, 2021



# NOWLEN, HOLT & MINER, P.A.

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## INDEPENDENT ACCOUNTANT'S REPORT ON COMPLIANCE WITH SECTION 218.415, FLORIDA STATUTES

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TELEPHONE (561) 996-5612  
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The Honorable Chair and Members of the  
Solid Waste Authority Board  
Solid Waste Authority of Palm Beach County  
West Palm Beach, Florida

We have examined the Solid Waste Authority of Palm Beach County, Florida's (the "Authority") compliance with Section 218.415, Florida Statutes during the year ended September 30, 2020. Management of the Authority is responsible for the Authority's compliance with the specified requirements. Our responsibility is to express an opinion on the Authority's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Authority complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Authority complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgement, including an assessment of the risk of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the Authority's compliance with the specified requirements.

In our opinion, the Authority complied, in all material respects, with Section 218.415, Florida Statutes for the year ended September 30, 2020.

This report is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, the Solid Waste Authority Board, applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

*Nowlen, Holt & Miner, P.A.*

West Palm Beach, Florida  
February 8, 2021