

SOLID WASTE AUTHORITY

of Palm Beach County



Fiscal Years Ended
September 30, 2022 and 2021
A Component Unit of Palm Beach County, FL

INTRODUCTORY SECTION

ANNUAL COMPREHENSIVE FINANCIAL REPORT

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

**A COMPONENT UNIT OF PALM BEACH COUNTY, FLORIDA
FISCAL YEARS ENDED SEPTEMBER 30, 2022 AND 2021**



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, 2022 AND 2021

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SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

SEPTEMBER 30, 2022 AND 2021

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YOUR PARTNER FOR
SOLID WASTE SOLUTIONS

February 8, 2023

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

The annual comprehensive financial report of the Solid Waste Authority of Palm Beach County, Florida, (the "Authority") for the fiscal year ended September 30, 2022, 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 scope of the audit includes examination of, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessment of the accounting principles used, and evaluation of 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, 2022, 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 4.

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 discretely presented component unit of Palm Beach County for the year ended September 30, 2022.

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 1.52 million. Projections show the population growing at an estimated annual rate of 0.66% from 2022 through 2050 with corresponding increases in service businesses and light industry. The University of Florida's Bureau of Economic and Business Research medium population estimates for 2025 through 2050 are 2% higher than those projected in 2021, but still lower than what was projected 5 years ago.

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 always establish assessments, tipping fees and other fees, rates, and charges to provide net revenues (gross revenue minus operating expenses) in each fiscal year at least equal to 110% of the annual debt service. The Authority complied with this requirement for 2022 and all prior fiscal years.

Long Term Financial Planning: The unemployment rate in Palm Beach County increased in 2020 due to COVID-19 impacts, but has continued to decline since, with the unemployment rate for 2022 at 2.9% (as of August 2022), which is down from 2021 at 4.7% (as of August 2021). Palm Beach County's population is projected to increase for the indefinite future, along with the number of residential units, the square footage of commercial property, and the projected volume of solid waste requiring disposal. The Authority's primary revenue source is an unlimited non-ad valorem special assessment (Disposal Assessment) billed on the tax bill and paid by all owners of improved residential and commercial properties in the County. While expenses will undoubtedly increase, the combined impact of higher waste volumes,

higher tipping fee revenue, higher electric generation revenue, growth in the number of billable units, and the strength and security of the non-ad valorem special assessment is expected to contribute to stable and affordable rates, and a stable financial outlook.

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	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
	2020	1,054,708	1,094,280	111,093	2,260,081
	2021	1,100,871	1,087,607	110,054	2,298,532
	2022	1,109,309	1,105,556	105,429	2,320,294
PROJECTED	2025*	1,218,624	1,126,874	112,154	2,457,652
	2030*	1,336,580	1,197,469	123,306	2,657,355

**Projected tonnage is from SWA’s 2023 Landfill Depletion Model; Projected Trash/Other, and both exclude Supplemental Waste Program tonnage (which was terminated in FY 2022).*

Major Initiatives

The Authority has completed an update to its Solid Waste Management Master Plan that included 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 was 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 completed Phase 1 of a planning project to determine options for the continued operation of the Biosolids Processing Facility (BPF) at the end of the current Operations and Maintenance (O&M) Agreement in 2029. This effort considered 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. Phase 2 of this planning project will begin in 2023. The recommended projects and initiatives will be accomplished in conjunction with the current Municipal Wastewater Utilities that are the Authority’s partners in the development and operation of this facility.

The Authority has completed the upgrade of the Recovered Materials Processing Facility’s (RMPF) comingled container processing line. This effort included a modification of the glass breaker, a new eddy current separator for the separation of aluminum, the replacement of the air density separator with an optical sorting unit for the collection of fiber and plastic film, new optical sorters for the collection of Polyethylene Terephthalate (PET,#1) and both neutral and pigmented High-Density Polyethylene (HDPE,#2) plastics and all new interconnecting conveyors, electrical power, controls, structural steel, platforms and access stairs and ladders. The project also included an industry grant funded robotic sorter with Artificial Intelligence (AI) that specifically targets the collection of Polypropylene (PP, #5) and Aseptic containers.

The upgrade was completed in September of 2022 and provides increased efficiency through higher throughput, enhanced product quality, and increased revenues.

The Authority completed the replacement of one of three (3) trommel screens at the Renewable Energy Facility #1 (REF #1) fuel processing building. The trommel is a critical component utilized in producing Refuse Derived Fuel (RDF) from post-recycled municipal solid waste which is subsequently combusted to produce clean renewable energy. The trommel had been functioning for over thirty years, far exceeding the expected useful life.

The Authority initiated a program to register and sell the Renewable Energy Certificates (RECs) that are created through the production of clean renewable energy at Renewable Energy Facility #2 (REF #2). One (1) REC is created for every megawatt generated on a calendar year basis. The Authority successfully sold over 445K RECs created in 2019, 2020 and 2021 generating over \$134K in gross revenue for the Authority.

The Authority has continued the project with the University of Florida to evaluate the utilization of the ash residue created during the combustion of post recycled waste in the Authority's Renewable Energy Facilities (REFs) in construction applications. The results of this investigation have been very promising indicating that the material is suitable for use as road base, asphalt, and aggregate in low-strength concrete with no measurable environmental impacts. Based on the results of these studies, the Florida Department of Environmental Protection (FDEP) approved the utilization of the ash aggregate as a road subbase and in asphalt and non-structural concrete. The Florida Department of Transportation (FDOT) is currently in the process of approving a developmental specification to allow the use of this material in non-structural concrete. Given the progress to date, the Authority has initiated discussions with local municipal agencies/departments to identify potential projects and several aggregate and concrete suppliers to engage potential partners in completing these 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 post recycled waste in the Authority's REFs. 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 capture and analyze this material on a large-scale basis, 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 produced ash aggregate that is suitable for use in the construction applications described above. The Authority Board approved a 2-year follow-up pilot project for Advanced Metals Recovery and aggregate recovery operation starting in June 2022.

After FDEP approval of utilizing ash aggregate in concrete and asphalt, the Authority constructed a new 1,000-foot road at the Cross State Landfill to serve as access for the current lessees, DS Eakins, Palm Beach County Road and Bridge, and HiPoint Agro Bedding Florida LLC. The Authority also constructed a new asphalt bypass road at REF #1 and a concrete sidewalk at the landfill scalehouse using ash aggregate. These projects will serve as demonstration projects to assess how aggregate from ash can be incorporated in large scale concrete and asphalt projects.

The Authority completed the design for the final closure of cells 5-10 on the Class I landfill. This project allowed the Authority to gain 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 and approved by FDEP. Closure of the west sideslope of Class I Cells 5, 8, 9, and 11 is still under construction and projected to be completed in January 2023. The top area of Cells 1 through 4 was also re-opened and regraded and is currently under construction to reclose the area. Landfill operations has moved on to the reconfiguration of the east sideslope of Class I Cells 6, 7, and 10. This area is projected to be complete in August 2023, with closure construction immediately following the grading activities.

The Authority completed the design portion of 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 feeder. Construction has been significantly delayed on this \$1.6 million project due to supply chain issues but is projected to be complete by Fall 2023.

The Authority completed construction of several major improvements at the main Household Hazardous Waste Collection facility on Jog Road. These included ventilation upgrades, improved storage capacity and improved lighting.

The Authority completed a project to replace the steel cladding on the four (4) load-out hoppers, tunnel steel-clad curbs, tunnel concrete floors, and the column anchor bolts at the West Central County Transfer Station. The project will reduce maintenance costs at the facility. The Authority also refurbished the tunnel floors and steel-clad curbs at the Central County Transfer Station in Lantana. A minor tipping floor repair in front of hopper 5 was included with this project.

The Authority completed the design and permitting of the Administration Building's office expansion project, creating new Human Resources office space in the existing screened patio area. This project is currently under construction with completion anticipated in February 2023.

The Authority has completed the design tasks to demolish the existing Compost Buildings, including the concrete slab and all utilities that feed the buildings. After permits are received, demolition will begin in 2023.

The Authority will begin a project in January 2023 to repair the sacrificial slab on the tipping floor at the Southwest County Transfer Station. A new product called Emory Stone from Laticrete will be used, which is supposed to be harder, more durable, and more resistant to impact and chemical attack. This demonstration project will be used to compare durability and longevity to Silica Fume, which has been used on the Authority's tipping floors for over a decade. The goal of this project is to reduce maintenance costs at the facility and delay the need to replace the tipping floor every 4 to 5 years as it was previously done.

The Authority completed a project to replace the scale software management system that is used at the six transfer stations, the RMPF, the REFs and the landfill. Using the latest technology, the new system provides a stable technological foundation for scale operations, facilitate efficient transactions, 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 in 2023 to repair the concrete on the tipping floor at the Central County Transfer Station. The project will reduce maintenance costs at the facility.

The Authority will initiate a project in 2023 to design and permit Class I Cells 25 & 26, just south of the existing Class 3 landfill. Cells 25 & 26 will be designed to landfill ash and trash and building debris. Capacity is needed by 2026, so the goal is to issue an Invitation to Bid for the construction of these cells by the end of 2023.

The Authority will initiate a project to design the final closure of the Class 3 landfill. After the Authority received approval in January 2022 to use ash from REF #1 and REF #2 as protected structural fill to regrade the sideslopes of the Class 3 landfill in preparation for closure, grading with ash will begin in August 2023. The first phase of this closure project is anticipated in Fall 2024.

In 2009, prior to the construction of REF #2, the Authority conducted an electrical distribution analysis to supply power from REF #1 to the RMPF and the BPF. At the time, the analysis did not show the project to be cost effective, given the required cost to retain FPL services as an emergency back-up supply. With the addition of REF #2, the upgrades to the Authority's Switchgear Building, and the Standby 2-megawatt backup generator, there is now sufficient redundancy to supply these facilities internally. The Authority will initiate a project to update the 2009 analysis and develop a revised cost estimate and life cycle cost comparison to determine the project feasibility.

The Authority will initiate a project to upgrade the fiber processing line at the RMPF. The current system currently combines mechanical and manual sorting to process residential and commercial generated fiber (newspaper, magazines, office paper, mail, cardboard) into three marketable commodities; sorted residential fiber (SRF), mixed paper (MP) and cardboard (OCC). There have been significant improvements in the sorting technology since the current system was commissioned in 2009. The new project will focus on incorporating the latest commercially proven technologies in our system with the goals of improved efficiencies, reduced operating costs and increasing revenue.

The Authority will initiate a project for the fabrication and installation of two (2) new trommel screens in the REF #1 refuse derived fuel processing building.

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 annual comprehensive financial report for the fiscal year ended September 30, 2021. To earn the award, the Authority publishes an easily readable and efficiently organized annual comprehensive 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 annual comprehensive 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 annual comprehensive 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 Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2021

Christopher P. Morill

Executive Director/CEO

Annual Comprehensive Financial Report
Solid Waste Authority of Palm Beach County
A Component Unit of Palm Beach County, Florida
Fiscal Year Ended September 30, 2022

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



Chair
Vice Mayor
Gregg K. Weiss
District 2



Vice Chair
Commissioner
Maria Sachs
District 5



Secretary
Commissioner
Maria G. Marino
District 1



Member
Mayor
Robert S. Weinroth
District 4



Member
Commissioner
Dave M. Kerner
District 3



Member
Commissioner
Melissa McKinlay
District 6



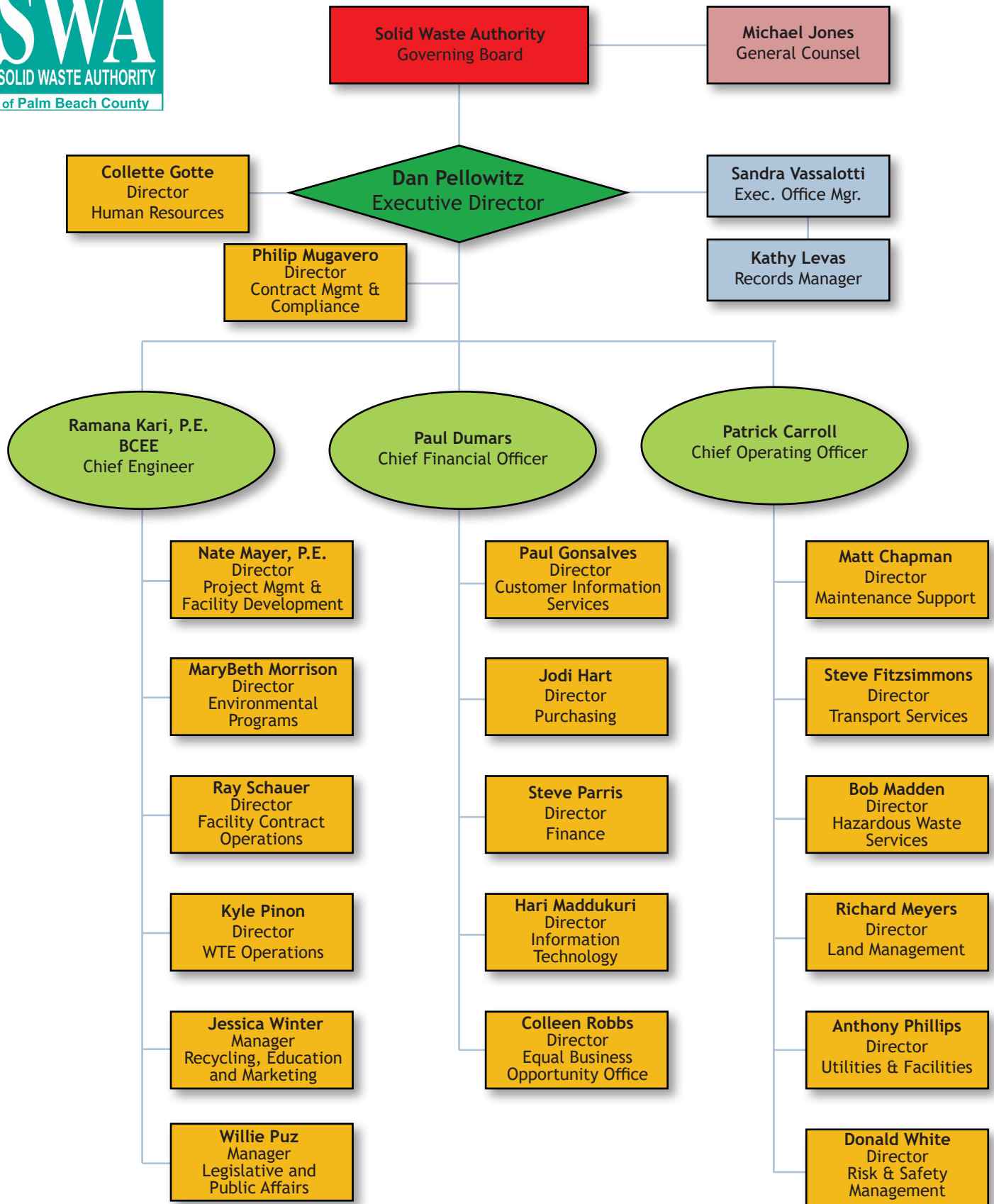
Member
Commissioner
Mack Bernard
District 7

Daniel Pellowitz
Executive Director

Paul E. Dumars, Sr.
Chief Financial Officer



Solid Waste Authority of Palm Beach County
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FINANCIAL SECTION



NOWLEN, HOLT & MINER, P.A.

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ROBERT W. HENDRIX, JR., CPA
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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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Report on the Audit of the Financial Statements

Opinions

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, 2022 and 2021, 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.

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, 2022 and 2021, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Solid Waste Authority of Palm Beach County, Florida and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Change in Accounting Principle

As described in Note Q to the financial statements, the Solid Waste Authority of Palm Beach County, Florida implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*, during the year ended September 30, 2022. Application of this new standard to October 1, 2020, the earliest year presented, was insignificant. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, the other postemployment benefits schedules on page 69, and the pension schedules on pages 70 through 73 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory, statistical, and other information sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 7, 2023, 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 Solid Waste Authority of Palm Beach County, Florida’s internal control over financial reporting and compliance.

Nowlen, Holt & Mimer, P.A.

West Palm Beach, Florida

February 7, 2023

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, 2022 and 2021. 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 basic financial statements (beginning on page 10).

Financial Highlights

- The Authority's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources (net position) by approximately \$694.4 million, \$665.2 million, and \$644.8 million at the close of fiscal years 2022, 2021, and 2020, respectively. Of these amounts, approximately \$130.8 million, \$139.9 million, and \$103.3 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 approximately \$29.2 million for fiscal year 2022. Details regarding the operations for 2022 are provided in our letter of transmittal. Revenues and capital contributions exceeded expenses by \$20.4 million and \$6.1 million for fiscal years 2021 and 2020, 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 eight years of operations, this facility has significantly reduced waste landfilled, and has been instrumental in extending the useful life of the Authority's existing landfill through 2054. Net capital assets decreased by \$55.9 million in fiscal year 2022. The Authority's net capital assets decreased by 5.3% in 2021 and by 5.1% in 2020.
- The Authority's operating revenues increased from the prior year by approximately 5.9% and operating expenses increased by approximately 10.5%. The increase in revenue is primarily from increased tipping fees and electrical generation. The increase in operating expenses includes offsetting increases and decreases in different expense categories. These variances are described in the Summary of Revenues, Expenses and Changes in Net Position on page 6.

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 supplement the Authority's basic financial statements, which include comparative Statements of Net Position, Statements of Revenues, Expenses, 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 increased or decreased because 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 15 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 \$29,237,212, \$20,381,481 and \$6,148,154 during fiscal years 2022, 2021, and 2020, respectively. A condensed summary of the Authority's net position for fiscal years 2022, 2021, and 2020 is presented below:

	2022	2021	2020
<u>Assets</u>			
<i>Current and Other Assets</i>	\$ 484,974,009	\$ 797,564,527	\$ 777,831,265
<i>Capital Assets</i>	931,660,554	985,424,967	1,040,219,563
Total Assets	\$ 1,416,634,563	\$ 1,782,989,494	\$ 1,818,050,828
<u>Deferred Outflows of Resources</u>	\$ 10,894,634	\$ 18,859,173	\$ 26,737,833
<u>Liabilities</u>			
<i>Noncurrent Liabilities</i>	\$ 642,209,713	\$ 713,494,868	\$ 1,110,656,667
<i>Other Liabilities</i>	77,716,119	402,718,801	88,396,858
Total Liabilities	\$ 719,925,832	\$ 1,116,213,669	\$ 1,199,053,525
<u>Deferred Inflows of Resources</u>	\$ 13,195,220	\$ 20,464,065	\$ 945,684
<u>Net Position</u>			
<i>Net Investment in Capital Assets</i>	\$ 428,493,461	\$ 432,585,695	\$ 443,189,473
<i>Restricted</i>	135,086,105	92,684,398	98,344,989
<i>Unrestricted</i>	130,828,579	139,900,840	103,254,990
Total Net Position	\$ 694,408,145	\$ 665,170,933	\$ 644,789,452

Net investment in capital assets (approximately 61.7%, 65.0% and 68.7% of the Authority's total net position for 2022, 2021, and 2020, 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 19.5%, 13.9% and 15.3%, of the Authority's total net position for 2022, 2021, and 2020, respectively) represents resources that are subject to external restrictions on how they may be used.

The remaining balance of net position (approximately 18.8%, 21.0%, and 16.0% of the Authority's total net position for 2022, 2021, and 2020, 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, 2022, 2021, and 2020 is presented below:

	2022	2021	2020
Operating Revenues			
Assessments	\$ 214,321,185	\$ 207,815,611	\$ 209,959,357
Tipping Fees	57,158,116	54,113,666	49,009,905
Electric Generation	55,317,955	48,401,495	40,393,171
Other Operating	20,926,504	17,964,252	10,567,603
Total Operating Revenue	<u>347,723,760</u>	<u>328,295,024</u>	<u>309,930,036</u>
Operating Expenses			
Franchise Hauler Contract Payments	52,647,615	48,988,776	48,063,110
Contract Payments to Plant Operators	83,138,699	77,303,254	72,970,449
Personnel Services	47,389,897	43,496,162	48,587,908
Depreciation and Amortization	65,669,216	62,083,943	62,681,112
Other Operating	59,627,871	47,205,565	42,167,269
Total Operating Expenses	<u>308,473,298</u>	<u>279,077,700</u>	<u>274,469,848</u>
Operating Income	<u>39,250,462</u>	<u>49,217,324</u>	<u>35,460,188</u>
Non-Operating Revenues/Expenses			
Investment Income	3,163,737	8,889,084	12,200,067
Grant Income	-	-	8,497
Other Income/Expenses	(318,554)	1,504,125	934,325
Interest Expense	(12,858,433)	(39,280,227)	(42,454,923)
Total Non-Operating Expense	<u>(10,013,250)</u>	<u>(28,887,018)</u>	<u>(29,312,034)</u>
Income (Loss) Before Capital Contributions	<u>29,237,212</u>	<u>20,330,306</u>	<u>6,148,154</u>
Capital Contributions	<u>-</u>	<u>51,175</u>	<u>-</u>
Increase (Decrease) in Net Position	29,237,212	20,381,481	6,148,154
Net Position - 10/01	<u>665,170,933</u>	<u>644,789,452</u>	<u>638,641,298</u>
Net Position - 09/30	<u>\$ 694,408,145</u>	<u>\$ 665,170,933</u>	<u>\$ 644,789,452</u>

The Authority's net position increased during fiscal year 2022 by \$29,237,212. Net position increased by \$20,381,481 and \$6,148,154 in 2021 and 2020, respectively. The change in net position from the prior fiscal year is due to the following:

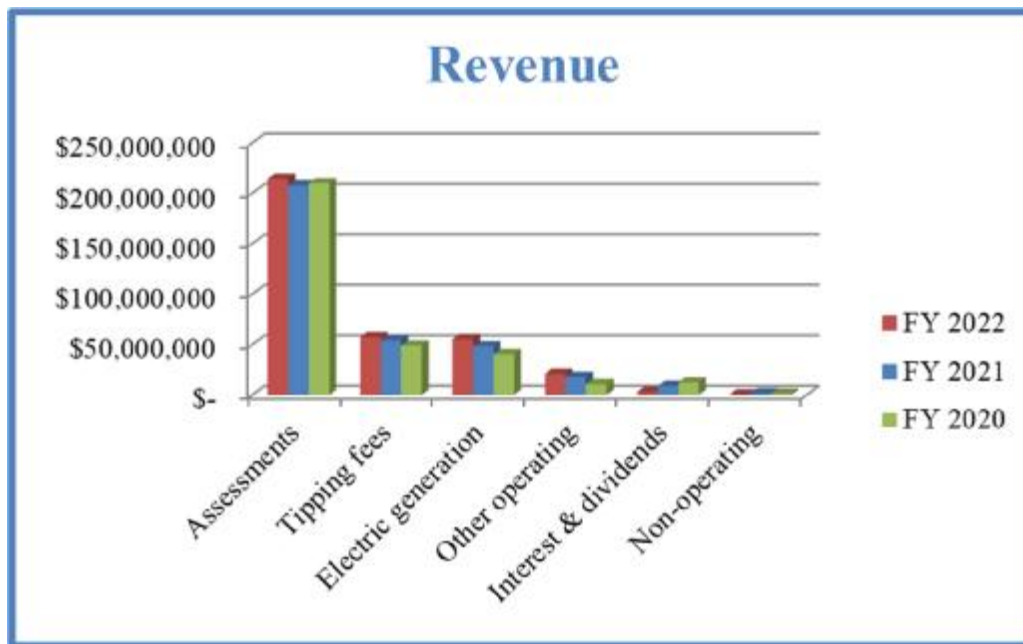
- Operating Revenue increased by \$19.4 million, mainly due to increased assessments and tipping fees, electrical generation, and recycled materials revenues from increased tonnage received in FY 2022.
- Personnel Services increase reflects a \$1.2 million accrual for FY22, while FY21 includes a \$2.1 million decrease in the Authority's share of the Florida Retirement Systems' unfunded pension liability.
- Other Operating Expenses increased 26.3% with a \$9.7 million increase in landsite expense including closure costs. Gasoline and diesel fuel increased by \$1.8 million.
- Contract Payments to plant operators increased by \$5.8 million due to contractual rate increases.

Net position increased by \$6,148,154 in 2020 and by \$31,607,069 in 2019. The net position increase of \$20,381,481 in 2021 from the prior fiscal year was due to the following:

- Operating Revenue increased by \$18.4 million, mainly due to increased tipping fees, electrical generation, and recycled materials revenues from increased tonnage received in FY 2021.
- Personnel Services decreased primarily due to a (\$2.1 million) decrease of the accrual for the Authority's share of the Florida Retirement Systems' unfunded pension liability.
- Other Operating Expenses increased 11.9% with \$1.5 million and \$1.0 million increases to contractual services and insurance premiums, respectively. Landsite expense increased \$1.4 million to process increased vegetation tonnage.
- Contract Payments to plant operators increased by \$4.3 million due to contractual rate increases.

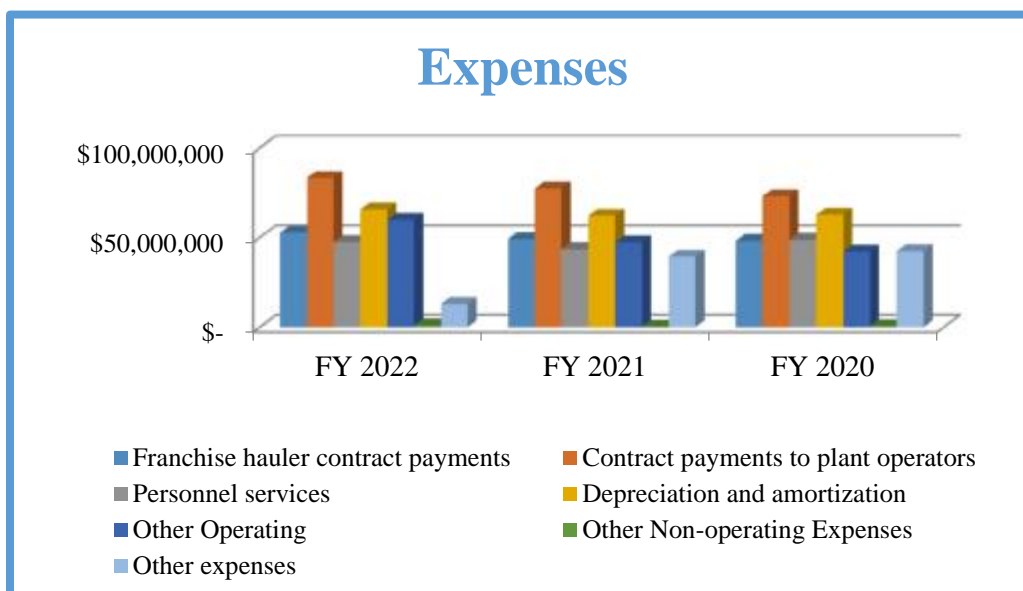
Revenues by Source (Graph)

The following graph shows the major sources of revenues for the years ended September 30, 2022, 2021, and 2020:



Expenses by Source (Graph)

The following graph shows the major expense categories for the years ended September 30, 2022, 2021, and 2020:



Capital Assets

During fiscal year 2022, the Authority's net capital assets decreased approximately \$55.9 million due primarily to annual depreciation expense of approximately \$65.5 million.

A summary of the 2022 capital asset acquisitions and disposals is as follows:

	<i>Balance 10/01/21</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance 09/30/22</i>
Land	\$ 50,626,126	\$ -	\$ -	\$ 50,626,126
Buildings	781,429,618	36,752	-	781,466,370
Improvements other than buildings	168,245,589	4,062,870	(7,509)	172,300,950
Equipment	762,940,770	7,704,420	(4,158,558)	766,486,632
Construction in Progress	1,032,207	14,881	(1,032,207)	14,881
Total Assets	1,764,274,310	11,818,923	(5,198,274)	1,770,894,959
Accumulated Depreciation	(778,849,343)	(65,462,673)	2,974,684	(841,337,332)
Total Assets Less Depreciation	\$ 985,424,967	\$ (53,643,750)	\$ (2,223,590)	\$ 929,557,627

During fiscal year 2021, the Authority's net capital assets decreased approximately \$54.8 million due primarily to annual depreciation expense of \$62.1 million.

A summary of the 2021 capital asset acquisitions and disposals is as follows:

	<i>Balance 10/01/20</i>	<i>Additions</i>	<i>Deletions</i>	<i>Balance 09/30/21</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	762,579,824	7,877,087	(7,516,141)	762,940,770
Construction in Progress	1,439,734	1,093,733	(1,501,260)	1,032,207
Total Assets	1,764,320,891	8,970,820	(9,017,401)	1,764,274,310
Accumulated Depreciation	(724,101,328)	(62,083,943)	7,335,928	(778,849,343)
Total Assets Less Depreciation	\$ 1,040,219,563	\$ (53,113,123)	\$ (1,681,473)	\$ 985,424,967

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 2022, the Authority had \$555,995,000 in outstanding revenue bonds payable compared to \$942,405,000 outstanding at the close of fiscal year 2021, a decrease of 41%.

During fiscal year 2022, the \$347,605,000 Refunding Revenue Bonds, Series 2019 reached the designated crossover date on October 1, 2021. At that time the bond escrow account balance was released and, in conjunction with other Authority funds, used to advance refund all outstanding Series 2011 in the amount of \$343,075,000. As of September 30, 2021, the bond escrow account balance of \$338,740,660 was reported as a Restricted Asset Investment.

On June 16, 2022, the Authority used General Reserve Funds to prepay the October 1, 2023 mandatory sinking fund payment of the Series 2021 Bonds in the amount of \$22,995,000.

At the close of fiscal year 2021, the Authority had \$942,405,000 in outstanding revenue bonds payable compared to \$985,080,000 outstanding at the close of fiscal year 2020, a decrease of 4.3%. On July 6, 2021, the Authority issued tax exempt, advanced Refunding Revenue Bonds, Series 2021 with a par amount of \$118,295,000 (Series 2021) to partially refund the Authority's outstanding Improvement Revenue Bonds, Series 2011. The Series 2021 bonds were issued, and the proceeds were placed in escrow to refund \$119,055,000 of the remaining Series 2011 Bonds. After the 10/1/2021 call date, none of the Authority's Series 2011 Bonds will be outstanding.

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 10/01/2021</i>	<i>Decreases & Retirements</i>	<i>Increases</i>	<i>Principal Balance 09/30/22</i>
<i>Series 2011</i>	\$ 363,415,000	\$ 363,415,000	\$ -	\$ -
<i>Series 2015</i>	50,330,000	-	-	50,330,000
<i>Series 2017</i>	62,760,000	-	-	62,760,000
<i>Series 2019</i>	347,605,000	-	-	347,605,000
<i>Series 2021</i>	118,295,000	22,995,000	-	95,300,000
Total Outstanding	942,405,000	386,410,000	-	555,995,000
Unamortized Premium	22,954,049	17,741,857	-	5,212,192
Revenue Bonds and Note Payable (Net)	\$ 965,359,049	\$ 404,151,857	\$ -	\$ 561,207,192

	<i>Principal Balance 10/01/2020</i>	<i>Decreases & Retirements</i>	<i>Increases</i>	<i>Principal Balance 09/30/21</i>
<i>Series 2011</i>	\$ 503,840,000	\$ 140,425,000	\$ -	\$ 363,415,000
<i>Series 2015</i>	50,330,000	-	-	50,330,000
<i>Series 2017</i>	83,305,000	20,545,000	-	62,760,000
<i>Series 2019</i>	347,605,000	-	-	347,605,000
<i>Series 2021</i>	-	-	118,295,000	118,295,000
Total Outstanding	985,080,000	160,970,000	118,295,000	942,405,000
Unamortized Premium	31,048,845	8,094,796	-	22,954,049
Revenue Bonds and Note Payable (Net)	\$ 1,016,128,845	\$ 169,064,796	\$ 118,295,000	\$ 965,359,049

Bonded Debt - The Authority's bond issues are rated by two prominent rate agencies: Moody's Investor Services and Standard & Poor's. The ratings, listed below, are products of effective management, increasingly strong financial position and a stable, high quality revenue stream.

Solid Waste Authority of Palm Beach County, Debt Ratings at September 30, 2022		
Type of Debt Issue	Moody's	S&P
Non-Ad valorem revenue bonds	Aa2	AA+

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 Financial Officer, Solid Waste Authority of Palm Beach County, 7501 N. Jog Road, West Palm Beach, FL 33412 or by email to pdumars@swa.org.

Sincerely,



Paul E. Dumars, Sr.
Chief Financial Officer

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

STATEMENTS OF NET POSITION

September 30, 2022 and 2021

ASSETS

	<u>09/30/2022</u>	<u>09/30/2021</u>
CURRENT ASSETS		
Cash and cash equivalents	\$ 184,146,172	\$ 191,046,234
Accounts receivable, less allowance for doubtful accounts of \$160,908 for 2022 and \$240,853 for 2021	11,375,983	11,892,437
Accrued interest receivable	174,484	20,031
Lease receivable	313,561	-
Due from Palm Beach County	2,469,071	2,224,565
Due from other Governments	856,501	538,620
Inventory	2,841,277	2,832,047
Prepaid expenses	3,842,597	3,661,729
	<u>206,019,646</u>	<u>212,215,663</u>
Restricted assets:		
Cash and cash equivalents	165,924,444	127,691,006
Investments	-	338,740,660
Accrued interest receivable	500,660	4,289,156
	<u>166,425,104</u>	<u>470,720,822</u>
TOTAL CURRENT ASSETS	<u>372,444,750</u>	<u>682,936,485</u>
 NONCURRENT ASSETS		
Restricted assets:		
Cash and cash equivalents	108,747,306	114,594,239
Capital assets:		
Land	50,626,126	50,626,126
Buildings	781,466,370	781,429,618
Improvements other than buildings	172,300,950	168,245,589
Equipment	766,486,632	762,940,770
Construction in progress	14,881	1,032,207
	<u>1,770,894,959</u>	<u>1,764,274,310</u>
Less accumulated depreciation	841,337,332	778,849,343
	<u>929,557,627</u>	<u>985,424,967</u>
Right to use lease assets, net	2,102,927	-
Other assets		
Lease receivable	3,748,150	-
Security deposits	33,803	33,803
TOTAL NONCURRENT ASSETS	<u>1,044,189,813</u>	<u>1,100,053,009</u>
 TOTAL ASSETS	<u>\$ 1,416,634,563</u>	<u>\$ 1,782,989,494</u>

DEFERRED OUTFLOWS OF RESOURCES

DEFERRED OUTFLOWS OF RESOURCES		
Pension related items	\$ 10,603,634	\$ 10,039,576
OPEB related items	291,000	284,000
Deferred loss on bond refunding, net	-	8,535,597
	<u>-</u>	<u>8,535,597</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 10,894,634</u>	<u>\$ 18,859,173</u>

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

STATEMENTS OF NET POSITION

September 30, 2022 and 2021

LIABILITIES

	09/30/2022	09/30/2021
CURRENT LIABILITIES		
Accounts payable	\$ 13,019,982	\$ 12,585,647
Accrued payroll and related liabilities	2,164,242	1,886,041
Accrued insurance claims payable	285,600	678,086
Accrued interest payable	77,987	-
Due to Palm Beach County	33,357	167,981
Current portion of advance capacity payment	2,981,260	2,981,260
Lease liability	176,292	-
Other current liabilities	151,439	15,400
	18,890,159	18,314,415
Current liabilities payable from restricted assets		
Accounts payable	1,603,212	1,538,807
Contract retainage payable	310,401	169,569
Customer deposits	1,138,725	1,067,325
Accrued landfill closure and postclosure care costs	-	363,417
Accrued interest payable	7,583,622	17,850,268
Current maturities of revenue bonds payable	48,190,000	363,415,000
	58,825,960	384,404,386
TOTAL CURRENT LIABILITIES	77,716,119	402,718,801
NONCURRENT LIABILITIES		
Other postemployment benefits obligation	571,000	755,000
Compensated absences payable	5,467,316	5,649,908
Net pension liability	36,099,291	15,825,370
Accrued landfill closure and postclosure care costs payable from restricted assets	52,957,283	54,166,516
Advance capacity payment	32,172,765	35,154,025
Lease liability	1,924,866	-
Revenue bonds payable	513,017,192	601,944,049
TOTAL NONCURRENT LIABILITIES	642,209,713	713,494,868
TOTAL LIABILITIES	\$ 719,925,832	\$ 1,116,213,669

DEFERRED INFLOWS OF RESOURCES

DEFERRED INFLOWS OF RESOURCES		
Pension related items	\$ 1,810,740	\$ 20,294,065
OPEB related items	293,000	170,000
Leases	3,991,570	-
Deferred gain on bond refunding, net	7,099,910	-
	13,195,220	20,464,065
TOTAL DEFERRED INFLOWS OF RESOURCES	\$ 13,195,220	\$ 20,464,065

NET POSITION

Net investment in capital assets	\$ 428,493,461	\$ 432,585,695
Restricted by bond covenants for		
Debt Service	48,124,942	20,101,361
Capital improvements	57,524,186	43,370,806
Operating reserve	29,436,977	29,212,231
Unrestricted	130,828,579	139,900,840
TOTAL NET POSITION	\$ 694,408,145	\$ 665,170,933

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, 2022 and 2021

	<u>09/30/2022</u>	<u>09/30/2021</u>
Operating revenues		
Assessments	\$ 214,321,185	\$ 207,815,611
Tipping fees	57,158,116	54,113,666
Electric generation	55,317,955	48,401,495
Recycling income	18,461,053	16,093,160
Franchise fees	2,206,670	1,839,638
Other Revenue	258,781	31,454
	<u>347,723,760</u>	<u>328,295,024</u>
Operating expenses		
Franchise hauler contract payments	52,647,615	48,988,776
Contract payments to plant operators	83,138,699	77,303,254
Personnel services	47,389,897	43,496,162
Depreciation and amortization	65,669,216	62,083,943
Landsite expenses	15,841,218	6,185,428
Contractual services	16,774,027	16,575,657
Repairs and maintenance	4,655,109	4,902,838
Other expenses	22,357,517	19,541,642
	<u>308,473,298</u>	<u>279,077,700</u>
OPERATING INCOME	39,250,462	49,217,324
Non-operating revenues (expenses)		
Interest and dividend income	3,163,737	8,889,084
Miscellaneous income	614,381	423,281
Gain/(loss) on disposition of capital assets	(932,935)	1,278,760
Debt issuance cost	-	(197,916)
Interest expense	(12,858,433)	(39,280,227)
	<u>(10,013,250)</u>	<u>(28,887,018)</u>
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	29,237,212	20,330,306
Capital contributions	-	51,175
INCREASE (DECREASE) IN NET POSITION	29,237,212	20,381,481
NET POSITION AT BEGINNING OF YEAR	665,170,933	644,789,452
NET POSITION AT END OF YEAR	\$ 694,408,145	\$ 665,170,933

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, 2022 and 2021

	<u>09/30/2022</u>	<u>09/30/2021</u>
Cash flows from operating activities:		
Cash received from assessments	\$ 212,267,482	\$ 205,899,944
Cash received from customers	128,501,249	111,249,826
Cash received from Palm Beach County	3,969,370	3,982,611
Cash received from others	513,498	460,152
Cash paid to suppliers and contractors	(192,354,570)	(171,307,900)
Cash paid to employees	(46,135,750)	(46,256,414)
Cash paid to Palm Beach County for goods and services	(4,985,376)	(4,127,582)
Net cash provided by operating activities	<u>101,775,903</u>	<u>99,900,637</u>
 Cash flows from non-capital financing activities		
Grant revenues received	-	25,626
Net cash used by non-capital financing activities	<u>-</u>	<u>25,626</u>
 Cash flows from capital and related financing activities		
Acquisition and construction of capital assets	(10,614,048)	(7,561,270)
Proceeds from the sale of capital assets	84,474	1,458,972
Payment to escrow agent for early extinguishment of debt	(366,070,000)	(122,022,760)
Proceeds from bond issuance	-	118,295,000
Bond issuance costs	-	(197,916)
Principal paid on outstanding revenue bonds	(20,340,000)	(41,915,000)
Interest paid on revenue bonds and other obligations	(25,064,389)	(41,471,531)
Payments received on leasing activities	303,175	-
Interest received on leasing activities	130,947	-
Payments paid on leasing activities	(169,006)	-
Interest paid on leasing activities	(89,053)	-
Net cash used for capital and related financing activities	<u>(421,827,900)</u>	<u>(93,414,505)</u>
 Cash flows from investing activities		
Proceeds from sales / maturities of investments	338,740,660	4,074,056
Interest received on investments	6,797,780	8,943,356
Net cash provided by investing activities	<u>345,538,440</u>	<u>13,017,412</u>
 Net increase in cash and cash equivalents	25,486,443	19,529,170
 Cash and cash equivalents - beginning	<u>433,331,479</u>	<u>413,802,309</u>
 Cash and cash equivalents - ending	<u>\$ 458,817,922</u>	<u>\$ 433,331,479</u>
 Cash and cash equivalents - Unrestricted	\$ 184,146,172	\$ 191,046,234
Restricted cash and cash equivalents - current	165,924,444	127,691,006
Restricted cash and cash equivalents - noncurrent	108,747,306	114,594,239
	<u>\$ 458,817,922</u>	<u>\$ 433,331,479</u>

(Continued)

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

STATEMENTS OF CASH FLOWS

**For the Fiscal Years Ended September 30, 2022 and 2021
(Continued)**

	<u>09/30/2022</u>	<u>09/30/2021</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income	\$ 39,250,462	\$ 49,217,324
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation and amortization	65,669,216	62,083,943
Provision for doubtful accounts	(79,945)	66,072
Miscellaneous income	614,381	423,281
Change in net pension liability and related deferred amounts	1,226,538	(2,119,817)
Lease adjustments	(337,026)	-
Changes in operating assets and liabilities		
(Increase) decrease in accounts receivable	596,399	(4,208,474)
(Increase) decrease in due from Palm Beach County	(244,506)	387,821
(Increase) decrease in due from other government	(317,881)	(129,635)
(Increase) decrease in inventory	(9,230)	153,680
(Increase) decrease in prepaid expenses	(180,868)	(576,335)
Increase (decrease) in accounts payable	434,335	(3,751,908)
Increase (decrease) in accrued payroll and related liabilities	206,493	(598,851)
Increase (decrease) in accrued insurance claims payable	(392,486)	563,215
Increase (decrease) in due to Palm Beach County	(134,624)	(1,514)
Increase (decrease) in advance capacity payment	(2,981,260)	(2,981,261)
Increase (decrease) in other current liabilities	136,039	15,400
Increase (decrease) in customer deposits	71,400	106,550
Increase (decrease) in other post employment benefits obligation	(68,000)	(1,000)
Increase (decrease) in accrued compensated absences	(110,884)	(40,584)
Increase (decrease) in accrued landfill closure and postclosure care costs	<u>(1,572,650)</u>	<u>1,292,730</u>
Total adjustments	<u>62,525,441</u>	<u>50,683,313</u>
Net cash provided by operating activities	<u>\$101,775,903</u>	<u>\$ 99,900,637</u>
 Supplemental disclosure of noncash capital and related financing activities		
Amortization of premium on bonds	<u>\$ (17,741,857)</u>	<u>\$ (8,094,796)</u>
Amortization of advance refunding loss on bonds	<u>\$ 15,635,507</u>	<u>\$ 6,401,651</u>

See notes to the financial statements

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

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, 2022 and 2021

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 GAAP 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 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, 2022 and 2021

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 assets 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 assets 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 three 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. The third is deferred items in connection with leases.

Leases: Lease contracts that provide the Authority with control of a non-financial asset, such as land, buildings, or equipment, for a period of time in excess of twelve months are reported as an intangible right to use lease asset with a related lease liability. The lease liability is recorded at the present value of future lease payments, including fixed payments, variable payments based on an index or fixed rate and reasonably certain residual guarantees. The intangible right to use leased asset is recorded for the same amount as the related lease liability plus any prepayments and initial direct costs to place the asset in service. Leased assets are amortized over the shorter of the useful life of the asset or the lease term. The lease liability is reduced for lease payments made, less the interest portion of the lease payment.

Lease contracts that provide an external entity with control of an Authority's non-financial asset, such as land, buildings, or equipment, for a period of time in excess of twelve months are reported as a leased receivable with a related lease deferred inflow of resources. The lease receivable is recorded at the present value of future lease payments expected to be received during the lease term, reduced by any provision for estimated uncollectible amounts. The lease deferred inflow of resources is recorded for the same amount as the related lease receivable less any lease incentives. Leased deferred inflow of resources are amortized over the lease term. The lease receivable is reduced for lease payments made, less the interest portion of the lease payment.

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

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 2022 and 2021 was \$2,981,260. The amount to be earned in 2023 of \$2,981,260 is included in current liabilities.

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/amortization 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 non 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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Amortization: Premiums and discounts on long-term debt are amortized on the straight-line method over the life of the related debt issues. Gain or losses on advance refundings are amortized using the proportionate-to-stated-interest method for the related debt issue. Intangible right to use lease assets are amortized on the straight-line method over the shorter of the useful life of the asset or the lease term. Lease deferred inflows are amortized on the straight-line method over the lease term.

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.

Implementation of GASB Statements: The Authority implemented the following GASB Statements during the fiscal year ended September 30, 2022:

- 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.
- 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 costs incurred before the end of a construction period will not be included in the historical cost of a capital asset.
- 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.
- 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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Implementation of GASB Statements (Continued)

- 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. The Authority implemented the provisions of this statement related to GASB Statements No. 14 and No. 84 in the current fiscal year.

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 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.
- 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. 99, *Omnibus 2022*. The requirements of this Statement will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this Statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The requirements related to leases, public-private and public-public partnerships, and subscription-based information technology arrangements are effective for the fiscal year ending September 30, 2023. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for the fiscal year ending September 30, 2024.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE A - SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recent Accounting Pronouncements (Continued)

- GASB Statement No. 100, *Accounting Changes and Error Corrections*. The requirements of this Statement will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. This Statement is effective for the fiscal year ending September 30, 2024.
- GASB Statement No. 101, *Compensated Absences*. The unified recognition and measurement model in this Statement will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. This Statement is effective for the fiscal year ending September 30, 2025.

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.

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, 2022 and 2021:

	2022	2021
Bank balance of deposits with financial institutions (including customer deposits)	\$ 23,898,736	\$ 19,170,099
Carrying value		
Deposits with financial institutions	\$ 23,166,837	\$ 17,021,067
Petty cash and cash drawers	9,400	11,200
Money market mutual funds	244,230,610	212,025,230
Florida Prime	191,411,075	204,273,982
Total cash and cash equivalents	\$ 458,817,922	\$ 433,331,479

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE B - CASH AND INVESTMENTS (Continued)

Cash and Cash Equivalents (Continued)

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.

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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE B - CASH AND INVESTMENTS (Continued)

Investments (Continued)

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 held Treasury Securities – State and Local Government Series (“SLGS”) issues that were 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, 2022 and 2021

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, 2022 and 2021 are as follows:

	September 30, 2022	
	Weighted Average Maturity	Fair Value
Investments Reported at Amortized Cost:		
Cash equivalents:		
Money market mutual funds	90 days or less	\$ 244,230,610
Florida Prime	21 days	191,411,075
Total Investments		\$ 435,641,685
	September 30, 2021	
	Weighted Average Maturity	Fair Value
Investments Reported at Historic Cost:		
U.S. Treasury SLGS	1 day	\$ 338,740,660
Investments Reported at Amortized Cost:		
Cash equivalents:		
Money market mutual funds	90 days or less	\$ 212,025,230
Florida Prime	49 days	204,273,982
Total Investments		\$ 416,299,212
		\$ 755,039,872

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.

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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE B - CASH AND INVESTMENTS (Continued)

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, 2022 and 2021 are as follows:

	September 30, 2022		
	Credit Quality Ratings		
Investments:	S&P Rating	Moody's Rating	Fair Value
Money market mutual funds	AAAm	Aaa-mf	\$ 244,230,610
Florida Prime	AAAm	Not Rated	191,411,075
Total Investments			\$ 435,641,685

	September 30, 2021		
	Credit Quality Ratings		
Investments:	S&P Rating	Moody's Rating	Fair Value
U.S. Treasury SLGS	AA+	Aaa	\$ 338,740,660
Money market mutual funds	AAAm	Aaa-mf	212,025,230
Florida Prime	AAAm	Not Rated	204,273,982
Total Investments			\$ 755,039,872

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, 2022 and 2021

NOTE B - CASH AND INVESTMENTS (Continued)

Concentration of Credit Risk (Continued)

The Authority was in compliance with these limitations at September 30, 2022 and 2021. At September 30, 2022 and 2021 certain individual investments exceeded 5% of the total investment portfolio (including cash and cash equivalents) as follows:

	September 30, 2022		September 30, 2021	
	Fair Value	Percentage of Total Investment Portfolio	Fair Value	Percentage of Total Investment Portfolio
U.S. Treasury SLGS	\$ -	0.0%	\$ 338,740,660	43.9%
Florida Prime	191,411,075	41.7%	204,273,982	26.5%
Money market mutual funds				
Dreyfus Government	164,358,631	17.4%	146,564,848	19.0%
Fidelity Government	23,166,837	5.1%	65,460,382	8.5%

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, 2022 and 2021.

NOTE C - ACCOUNTS RECEIVABLE

Accounts receivable and the related allowance for doubtful accounts at September 30, 2022 and 2021 are summarized as follows:

September 30, 2022	Gross Accounts Receivable	Allowance For Doubtful Accounts	Net Accounts Receivable
Tipping fees	\$ 4,705,510	\$ (99,255)	\$ 4,606,255
Electric generation	4,569,691	-	4,569,691
Recycling	571,605	(61,653)	509,952
Miscellaneous	1,690,085	-	1,690,085
	\$ 11,536,891	\$ (160,908)	\$ 11,375,983

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE C - ACCOUNTS RECEIVABLE (Continued)

<u>September 30, 2021</u>	<u>Gross Accounts Receivable</u>	<u>Allowance For Doubtful Accounts</u>	<u>Net Accounts Receivable</u>
Tipping fees	\$ 4,853,777	\$ (136,278)	\$ 4,717,499
Electric generation	4,207,586	-	4,207,586
Recycling	985,140	(104,575)	880,565
Miscellaneous	2,086,787	-	2,086,787
	<u>\$ 12,133,290</u>	<u>\$ (240,853)</u>	<u>\$ 11,892,437</u>

NOTE D - RESTRICTED ASSETS

Restricted assets consist of the following amounts at September 30, 2022 and 2021, held in the various accounts established by the Authority's bond documents:

<u>September 30, 2022</u>	<u>Cash, Cash Equivalents and Investments</u>	<u>Accrued Interest Receivable</u>	<u>Total</u>
Operating Account			
Customer deposits	\$ 1,138,725	\$ -	\$ 1,138,725
Debt Service Accounts			
Debt Service Reserve	67,567,371	123,128	67,690,499
Interest Account	7,421,325	12,558	7,433,883
Principal Account	48,190,000	84,681	48,274,681
Operating Reserve Account	29,358,923	78,054	29,436,977
Renewal and Replacement			
Reserve Account	35,550,486	46,230	35,596,716
Landfill Management Escrow	41,179,935	75,038	41,254,973
Capital Improvement Account	23,798,924	42,159	23,841,083
2009 Construction Account	6,479,647	12,288	6,491,935
2011 Project Account	13,986,414	26,524	14,012,938
	<u>\$ 274,671,750</u>	<u>\$ 500,660</u>	<u>\$ 275,172,410</u>

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE D - RESTRICTED ASSETS (Continued)

September 30, 2021	Cash, Cash Equivalents and Investments	Accrued Interest Receivable	Total
Operating Account			
Customer deposits	\$ 1,067,325	\$ -	\$ 1,067,325
Debt Service Accounts			
Debt Service Reserve	73,958,529	1,825	73,960,354
Interest Account	11,267,192	167	11,267,359
Principal Account	20,340,000	479	20,340,479
Series 2019 Bond Escrow Account	338,740,660	4,268,132	343,008,792
Operating Reserve Account	29,195,211	17,020	29,212,231
Renewal and Replacement			
Reserve Account	20,839,223	115	20,839,338
Landfill Management Escrow	40,999,127	1,101	41,000,228
Capital Improvement Account	24,064,697	147	24,064,844
2009 Construction Account	6,452,067	53	6,452,120
2011 Project Account	14,101,874	117	14,101,991
	<u>\$ 581,025,905</u>	<u>\$ 4,289,156</u>	<u>\$ 585,315,061</u>

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE E - CAPITAL ASSETS

The changes in capital assets of the Authority for the years ended September 30, 2022 and 2021 are summarized as follows:

September 30, 2022	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	1,032,207	14,881	(1,032,207)	14,881
Total non-depreciable capital assets	51,658,333	14,881	(1,032,207)	50,641,007
Depreciable capital assets				
Buildings	781,429,618	36,752	-	781,466,370
Improvements other than buildings	168,245,589	4,062,870	(7,509)	172,300,950
Equipment	762,940,770	7,704,420	(4,158,558)	766,486,632
Total depreciable capital assets	1,712,615,977	11,804,042	(4,166,067)	1,720,253,952
Total capital assets	1,764,274,310	11,818,923	(5,198,274)	1,770,894,959
Less accumulated depreciation				
Buildings	(380,805,494)	(26,688,867)	-	(407,494,361)
Improvements	(90,238,724)	(7,883,602)	7,509	(98,114,817)
Equipment	(307,805,125)	(30,890,204)	2,967,175	(335,728,154)
	(778,849,343)	(65,462,673)	2,974,684	(841,337,332)
Depreciable assets, net of accumulated depreciation	933,766,634	(53,658,631)	(1,191,383)	878,916,620
Total capital assets, net of accumulated depreciation	\$ 985,424,967	\$ (53,643,750)	\$ (2,223,590)	\$ 929,557,627

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE E - CAPITAL ASSETS (Continued)

September 30, 2021	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	1,439,734	1,093,733	(1,501,260)	1,032,207
Total non-depreciable capital assets	<u>52,065,860</u>	<u>1,093,733</u>	<u>(1,501,260)</u>	<u>51,658,333</u>
Depreciable capital assets				
Buildings	781,429,618	-	-	781,429,618
Improvements other than buildings	168,245,589	-	-	168,245,589
Equipment	762,579,824	7,877,087	(7,516,141)	762,940,770
Total depreciable capital assets	<u>1,712,255,031</u>	<u>7,877,087</u>	<u>(7,516,141)</u>	<u>1,712,615,977</u>
Total capital assets	<u>1,764,320,891</u>	<u>8,970,820</u>	<u>(9,017,401)</u>	<u>1,764,274,310</u>
Less accumulated depreciation				
Buildings	(354,375,021)	(26,430,473)	-	(380,805,494)
Improvements	(84,455,497)	(5,783,227)	-	(90,238,724)
Equipment	(285,270,810)	(29,870,243)	7,335,928	(307,805,125)
	<u>(724,101,328)</u>	<u>(62,083,943)</u>	<u>7,335,928</u>	<u>(778,849,343)</u>
Depreciable assets, net of accumulated depreciation	<u>988,153,703</u>	<u>(54,206,856)</u>	<u>(180,213)</u>	<u>933,766,634</u>
Total capital assets, net of accumulated depreciation	<u>\$ 1,040,219,563</u>	<u>\$ (53,113,123)</u>	<u>\$ (1,681,473)</u>	<u>\$ 985,424,967</u>

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE E - CAPITAL ASSETS (Continued)

The changes in intangible right to use assets of the Authority for the year ending September 30, 2022 is summarized as follows:

September 30, 2022	Balance at Beginning of Year	Increases	Decreases	Balance at End of Year
Intangible right to use assets				
Leased assets - property	\$ -	\$ 2,240,908	\$ -	\$ 2,240,908
Leased assets - equipment	-	275,105	-	275,105
Total intangible right to use assets	-	2,516,013	-	2,516,013
Less accumulated amortization				
Leased assets - property	-	(243,790)	-	(243,790)
Leased assets - equipment	-	(169,296)	-	(169,296)
Total accumulated amortization	-	(413,086)	-	(413,086)
Total intangible right to use assets, net of accumulated amortization	\$ -	\$ 2,102,927	\$ -	\$ 2,102,927

Restatement for the implementation of GASB 87 as of October 1, 2021 related to the intangible right to use assets – leases was deemed insignificant. Restatement for the implementation of GASB 87 as of October 1, 2020 related to the intangible right to use assets - leases was deemed insignificant. The changes in intangible right to use assets – leases summarized above reflect the increases or additions presented for the implementation of GASB 87 in fiscal year ending September 30, 2022. The actual amortization expense related to the fiscal year ending September 30, 2022 was \$206,543. See Note Q.

NOTE F - LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The Authority operated one active landfill site for the years ended September 30, 2022 and 2021. 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. For the fiscal year ending 2022, pursuant to Rule 62-701.630, Florida Administrative Code, the Authority is no longer required to demonstrate financial assurance for long-term care of the Dyer Boulevard Landfill.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

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

Landfill closure and postclosure care liabilities at September 30, 2022 and 2021, are as follows:

	<u>2022</u>	<u>2021</u>
Accrued closure and postclosure care costs	\$ 52,957,283	\$ 53,076,267
Accrued postclosure care for closed landfills	-	1,453,666
Total accrued landfill closure costs	<u>\$ 52,957,283</u>	<u>\$ 54,529,933</u>

The \$52,957,283 and \$53,076,267 of accrued closure and postclosure care liabilities at September 30, 2022 and 2021, respectively, represent the cumulative cost based on the use of 46.8% and 48.5% of the estimated capacity of the operating landfill. The Authority will recognize the remaining estimated cost of closure and postclosure care of approximately \$80.2 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 2022. 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. The Authority is in compliance with these requirements, and at September 30, 2022 and 2021, cash and cash equivalents of \$41,179,935 and \$40,999,127, 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, 2022 and 2021, the statutorily required escrow account balances were as follows:

<u>Site</u>	<u>2022</u>	<u>2021</u>
Site 7 closure costs	\$ 31,837,738	\$ 37,978,251
Dyer landfill long-term care	-	363,417
	<u>\$ 31,837,738</u>	<u>\$ 38,341,668</u>

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, 2022 and 2021; 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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

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 \$500 million and deductibles ranging from \$250,000 to \$500,000 per occurrence (2% for REF#1 and REF#2, subject to a minimum of \$500,000, 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 excess auto and general liability coverage of \$25 million, subject to a self-insured retention of \$150,000. Auto and 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, subject to a specific retention 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, 2022, 2021, and 2020, 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
2022	\$ 679,000	\$ (325,822)	\$ (67,578)	\$ 285,600
2021	114,900	1,251,979	(687,879)	679,000
2020	76,700	332,496	(294,296)	114,900

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE H - REVENUE BONDS PAYABLE

Revenue bonds payable by the Authority at September 30, 2022 and 2021, are summarized as follows:

	2022	2021
Direct Placement Revenue Bonds		
Series 2021	\$ 95,300,000	\$ 118,295,000
Series 2019	347,605,000	347,605,000
Revenue Bonds		
Series 2017	62,760,000	62,760,000
Series 2015	50,330,000	50,330,000
Series 2011	-	363,415,000
Unamortized premium	5,212,192	22,954,049
Net revenue bonds payable	561,207,192	965,359,049
Less current maturities	(48,190,000)	(363,415,000)
Revenue bonds payable, long-term portion	\$ 513,017,192	\$ 601,944,049

Series 2021: \$118,295,000 Solid Waste Authority of Palm Beach County Refunding Revenue Bonds, Series 2021 dated July 6, 2021. The Series 2021 Bonds, in conjunction with approximately \$2.5 million in the Authority's Debt Service Reserve Fund and \$1.5 million from the Debt Service Fund provided funding to advance refund and defease \$119,055,000 of the Authority's outstanding Refunding Revenue Bonds, Series 2011 and pay the cost of issuance of the Series 2021 Bonds.

Interest on the Series 2021 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, 2025.

The debt service requirements and interest rates of the Series 2021 Bonds are as follows:

Year Ending September 30,	Interest Rate	Principal	Interest	Total
2023	0.67%	\$ 22,880,000	\$ 561,527	\$ 23,441,527
2024	0.67	-	484,924	484,924
2025	0.67	32,820,000	375,043	33,195,043
2026	0.67	39,600,000	132,581	39,732,581
		\$ 95,300,000	\$ 1,554,075	\$ 96,854,075

On June 16, 2022, the Authority deposited approximately \$23.0 million of available Authority monies into an escrow account to defease \$22,995,000 of Series 2021 Refunding Revenue Bonds that have a scheduled maturity date of October 1, 2023.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE H - REVENUE BONDS PAYABLE (Continued)

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 were not defeased at the time of issuance of the Series 2019 Bonds and remained outstanding for all purposes until the Crossover Date. On the Crossover Date, the Series 2019 Bonds, in conjunction with approximately \$6.4 million in the Authority’s Debt Service Reserve Fund provided funding to advance refund and defease \$343,075,000 of the Authority’s outstanding Refunding Revenue Bonds, Series 2011 on which date the Series 2011 Bonds were 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 obtained and provided 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 advance refunding of the Series 2011 Bonds by the Authority reduced its aggregate debt service payments by approximately \$44,364,596 over the life of the bonds and produced an economic gain (the difference between the present values of the old and new debt service payments) of approximately \$35,494,113.

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
2023	2.88%	\$ 1,780,000	\$ 9,985,392	\$ 11,765,392
2024	2.88	1,845,000	9,933,192	11,778,192
2025	2.88	1,910,000	9,879,120	11,789,120
2026	2.88	1,980,000	9,823,104	11,803,104
2027	2.88	39,875,000	9,220,392	49,095,392
2028	2.88	46,700,000	7,973,712	54,673,712
2029	2.88	49,390,000	6,590,016	55,980,016
2030	2.88	65,605,000	4,934,088	70,539,088
2031	2.88	68,010,000	3,010,032	71,020,032
2032	2.88	70,510,000	1,015,341	71,525,341
		<u>\$ 347,605,000</u>	<u>\$ 72,364,389</u>	<u>\$ 419,969,389</u>

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE H - REVENUE BONDS PAYABLE (Continued)

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:

Year Ending September 30,	Interest Rate	Principal	Interest	Total
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>\$ 62,760,000</u>	<u>\$ 2,145,249</u>	<u>\$ 64,905,249</u>

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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE H - REVENUE BONDS PAYABLE (Continued)

Series 2015 (Continued)

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

Year Ending September 30,	Interest Rate	Principal	Interest	Total
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>\$ 12,967,750</u>	<u>\$ 63,297,750</u>

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 was payable semiannually on April 1st and October 1st and principal payments were due on October 1st.

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 July 6, 2021, the proceeds of the sale of the Series 2021 Bonds, together with funds contributed by the Authority, after payment of costs of issuance, were deposited into the Series 2011 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 \$119,055,000 of the Series 2011 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.

On October 1, 2021, funds held in escrow refunded Series 2011 Refunding Revenue Bonds in the amount of \$336,665,000 and \$6,410,000 of the Series 2011 Refunding Revenue Bonds were called using the Authority’s debt service reserve fund. The total outstanding principal balance of \$363,415,000 for the Series 2011 Bonds were retired October 1, 2021, which included a principal payment of \$20,340,000. As a result, the \$343,075,000 of the Series 2011 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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

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. 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, 2022 and 2021

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 2021 Bonds include a provision that outstanding payments in default on this Bond shall bear interest at a rate 3% above the current Interest Rate on this Bond; provided upon the occurrence of a payment default longer than 90 days, the outstanding principal on this Bond shall bear interest at a rate 3% above the current Interest Rate until such payment default has been cured.

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.

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

Year Ending September 30,	Revenue Bonds		
	Principal	Interest	Total
2023	\$ 23,530,000	\$ 3,770,928	\$ 27,300,928
2024	24,135,000	3,208,369	27,343,369
2025	15,095,000	2,715,452	17,810,452
2026	10,870,000	2,244,750	13,114,750
2027	11,525,000	1,684,875	13,209,875
2027-2029	27,935,000	1,488,625	29,423,625
	<u>\$ 113,090,000</u>	<u>\$ 15,112,999</u>	<u>\$ 128,202,999</u>

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE H - REVENUE BONDS PAYABLE (Continued)

Annual Maturities (Continued)

Year Ending <u>September 30,</u>	Series 2021 and Series 2019 Refunding Revenue Bonds Direct Placement		
	Principal	Interest	Total
2023	\$ 24,660,000	\$ 10,546,919	\$ 35,206,919
2024	1,845,000	10,418,116	12,263,116
2025	34,730,000	10,254,163	44,984,163
2026	41,580,000	9,955,685	51,535,685
2027	39,875,000	9,220,392	49,095,392
2028-2032	300,215,000	23,523,189	323,738,189
	\$ 442,905,000	\$ 73,918,464	\$ 516,823,464

Interest Expense: Total interest costs incurred on all Authority debt for the years ended September 30, 2022 and 2021 were \$12,777,339 and \$39,281,678, respectively. For the years ended September 30, 2022 and 2021, net interest costs (net of interest revenue on construction funds of \$85,946 and \$1,451 in 2022 and 2021, respectively) and \$12,691,393 and \$39,280,227, respectively, was expensed.

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, 2022, 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, 2022, defeased Series 2009 Revenue Bonds totaling \$118,675,000 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; in 2021, the Authority defeased \$119,055,000 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; and in 2022, the Authority defeased \$343,075,000 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, 2022, defeased Series 2011 Refunding Revenue Bonds totaling \$468,315,000 remain outstanding. In 2022, the Authority defeased \$22,995,000 of Refunding Revenue Bonds, Series 2021 by placing cash in an irrevocable escrow fund to provide for all future debt service payments on these bonds. At September 30, 2022, defeased Series 2021 Refunding Revenue Bonds totaling \$22,995,000 remain outstanding.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE I - CHANGES IN NONCURRENT LIABILITIES

Changes in long-term debt for the years ended September 30, 2022 and 2021 are summarized as follows:

September 30, 2022	Balance at Beginning of Year	Increases	Decreases and Retirements	Balance at End of Year	Amounts Due Within One Year
Compensated absences	\$ 6,036,871	\$ 3,378,683	\$ (3,489,567)	\$ 5,925,987	\$ 458,671
Lease liability	-	2,516,013	(414,855)	2,101,158	176,292
Net pension liability	15,825,370	20,273,921	-	36,099,291	-
Total other postemployment liability	755,000	55,000	(239,000)	571,000	-
Advanced capacity payment payment	38,135,285	-	(2,981,260)	35,154,025	2,981,260
Landfill closure and postclosure care costs	54,529,933	-	(1,572,650)	52,957,283	-
Notes and bonds from direct borrowings and placements					
Revenue Bond, Series 2019	347,605,000	-	-	347,605,000	1,780,000
Revenue Bond, Series 2021	118,295,000	-	(22,995,000)	95,300,000	22,880,000
Revenue bonds					
Series 2017	62,760,000	-	-	62,760,000	23,530,000
Series 2015	50,330,000	-	-	50,330,000	-
Series 2011	363,415,000	-	(363,415,000)	-	-
	<u>\$ 1,057,687,459</u>	<u>\$ 26,223,617</u>	<u>\$ (395,107,332)</u>	688,803,744	<u>\$ 51,806,223</u>
Unamortized premium				5,212,192	
Current maturities				<u>(51,806,223)</u>	
Net long-term liabilities				<u>\$ 642,209,713</u>	

Restatement for the implementation of GASB 87 as of October 1, 2021 related to the lease liability was deemed insignificant. The changes in the lease liability summarized above reflect the increases and decreases presented for the implementation of GASB 87 in fiscal year ending September 30, 2022. See Note Q.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE I - CHANGES IN NONCURRENT LIABILITIES (Continued)

September 30, 2021	Balance at Beginning of Year	Increases	Decreases and Retirements	Balance at End of Year	Amounts Due Within One Year
Compensated absences	\$ 6,077,455	\$ 3,148,403	\$ (3,188,987)	\$ 6,036,871	\$ 386,963
Net pension liability	38,926,577	-	(23,101,207)	15,825,370	-
Total other postemployment liability	770,000	48,000	(63,000)	755,000	-
Advanced capacity payment payment	41,116,546	-	(2,981,261)	38,135,285	2,981,260
Landfill closure and postclosure care costs	53,237,203	1,292,730	-	54,529,933	363,417
Notes and bonds from direct borrowings and placements					
Revenue Bond, Series 2019	347,605,000	-	-	347,605,000	-
Revenue Bond, Series 2021	-	118,295,000	-	118,295,000	-
Revenue bonds					
Series 2017	83,305,000	-	(20,545,000)	62,760,000	-
Series 2015	50,330,000	-	-	50,330,000	-
Series 2011	503,840,000	-	(140,425,000)	363,415,000	363,415,000
	<u>\$ 1,125,207,781</u>	<u>\$ 122,784,133</u>	<u>\$ (190,304,455)</u>	1,057,687,459	<u>\$ 367,146,640</u>
Unamortized premium				22,954,049	
Current maturities				<u>(367,146,640)</u>	
Net long-term liabilities				<u>\$ 713,494,868</u>	

Restatement for the implementation of GASB 87 as of October 1, 2020 related to the lease liability was deemed insignificant.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

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, 2022 and 2021:

September 30, 2022	Restricted Assets	Liabilities Payable From Restricted Assets	Unspent Debt Proceeds	Restricted Net Position
Operating Account				
Customer Deposits	\$ 1,138,725	\$ 1,138,725	\$ -	\$ -
Debt Service Accounts	123,399,063	7,583,622	67,690,499	48,124,942
Operating Reserve Account	29,436,977	-	-	29,436,977
Renewal and Replacement				
Reserve Account	35,596,716	1,903,617	-	33,693,099
Landfill Management Escrow Account (1)	41,254,973	41,254,973	-	-
Capital Improvement Account	23,841,083	9,996	-	23,831,087
2009 Construction Account	6,491,935	-	6,491,935	-
2011 Project Account	14,012,938	-	14,012,938	-
	<u>\$275,172,410</u>	<u>\$ 51,890,933</u>	<u>\$ 88,195,372</u>	<u>\$135,086,105</u>

(1) Actual liabilities payable from restricted assets for the Landfill Management Escrow Account was \$52,957,283 as of September 30, 2022.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE J - RESTRICTED NET POSITION (Continued)

September 30, 2021	Restricted Assets	Liabilities Payable From Restricted Assets	Unspent Debt Proceeds	Restricted Net Position
Operating Account				
Customer Deposits	\$ 1,067,325	\$ 1,067,325	\$ -	\$ -
Debt Service Accounts	105,568,192	11,506,477	73,960,354	20,101,361
Series 2019 Bond Escrow Account (2)	343,008,792	343,008,792	-	-
Operating Reserve Account	29,212,231	-	-	29,212,231
Renewal and Replacement Reserve Account	20,839,338	1,211,999	-	19,627,339
Landfill Management Escrow Account (3)	41,000,228	41,000,228	-	-
Capital Improvement Account	24,064,844	321,377	-	23,743,467
2009 Construction Account	6,452,120	-	6,452,120	-
2011 Project Account	14,101,991	175,000	13,926,991	-
	<u>\$585,315,061</u>	<u>\$398,291,198</u>	<u>\$ 94,339,465</u>	<u>\$ 92,684,398</u>

(2) Actual liabilities payable from restricted assets for the Series 2019 Bond Escrow Account was \$353,948,791 as of September 30, 2021. See Note H – Series 2019.

(3) Actual liabilities payable from restricted assets for the Landfill Management Escrow Account was \$54,529,933 as of September 30, 2021.

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 2022, the Authority recorded no capital contributions from its partners. In 2021, the Authority recorded capital contributions totaling \$51,175 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, 2022 and 2021

NOTE L - RELATED PARTY TRANSACTIONS

The Authority is a component unit of Palm Beach County, Florida. For the years ended September 30, 2022 and 2021 the Authority billed various departments of the County for assessments of \$2,053,703 and \$1,915,667, respectively; tipping and other fees of \$1,708,344 and \$1,284,633, respectively. The Authority billed no capital contributions to Palm Beach County in 2022 and billed \$10,407 in capital contributions to Palm Beach County in 2021. At September 30, 2022, there were no capital contributions due from Palm Beach County and there were \$10,407 in capital contributions due from Palm Beach County at September 30, 2021. In addition, the Authority received \$375,401 and \$783,053 during 2022 and 2021, 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, 2022 and 2021 include charges of \$1,669,890 and \$1,825,626, 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 \$2,326,609 and \$2,032,715 at September 30, 2022 and 2021, respectively. In addition, Palm Beach County billed the Authority for various other materials and contractual services totaling \$3,078,818 and \$2,869,706 for the years ended September 30, 2022 and 2021, respectively. At September 30, 2022 and 2021, \$2,469,071 and \$2,214,158, respectively, was due from Palm Beach County for Tax Collector rebates, assessments, tipping fees and other charges, and \$33,357 and \$167,981, 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 \$1.3 million at September 30, 2022 and \$1.6 million at September 30, 2021. The lease was extended in fiscal year 2022 for a term of 25 years under the same terms and conditions. The lease provides the option to extend the term for two 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, 2022 and 2021, the carrying value of the golf course property and improvements was approximately \$5.1 million and \$5.6 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, 2022 and 2021

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 1, 2021, the most recent actuarial valuation date, the following employees were covered by benefit terms:

Participants		
Active employees		396
Inactive employees currently receiving benefits		14
Inactive employees entitled to but not receiving benefits		-
Total		410

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, 2022, the Authority’s OPEB liability of \$571,000 was measured as of September 30, 2022 and was determined by the actuarial valuation as of September 1, 2021. As of September 30, 2021, the Authority’s OPEB liability of \$755,000 was measured as of September 30, 2021 and was determined by the actuarial valuation as of September 30, 2020.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

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, 2022
Valuation Date:	September 1, 2021
Discount Rate:	4.40% per annum, September 30, 2022 Measurement Date Source: 20-year municipal general obligation bond index rate
Salary Increase Rate:	2.5% per annum
Inflation Rate:	2.5% per annum
Census Data:	The census data was provided by the Authority as of September 2022.
Marriage Rate:	Actual coverage status is used.
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 8 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:	20% of employees are assumed to elect to participate in the plan upon retirement/disability
Mortality Rates:	Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP-2020 Mortality Improvement Scale.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

	September 30, 2021
Valuation Date:	September 30, 2020
Discount Rate:	2.15% per annum, September 30, 2021 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.

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, 2022, the calculation used a rate of 4.40%. As of September 30, 2021, the calculation used a rate of 2.15%.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

Changes in the Total OPEB Liability

September 30, 2022	Total OPEB Liability
Balance at September 30, 2021	\$ 755,000
Changes for the Year:	
Service Cost	42,000
Interest Cost	13,000
Experience Losses/(Gains)	(87,000)
Changes of Assumptions or Other Inputs	(49,000)
Benefit Payments	(103,000)
Net Change in Total OPEB Liability	\$ (184,000)
Balance at September 30, 2022	\$ 571,000
September 30, 2021	Total OPEB Liability
Balance at September 30, 2020	\$ 770,000
Changes for the Year:	
Service Cost	30,000
Interest Cost	17,000
Changes of Assumptions or Other Inputs	1,000
Benefit Payments	(63,000)
Net Change in Total OPEB Liability	\$ (15,000)
Balance at September 30, 2021	\$ 755,000

Changes in Assumptions: As of September 30, 2022, all assumptions, methods, and results are based on the fiscal year 2021 GASB 75 actuarial report dated November 11, 2021. Changes to the assumptions since the actuarial report dated February 1, 2021 are as follows:

- The discount rate was updated from 2.15% to 4.40%.
- The mortality assumption was updated from Pub-2010 mortality table with generational scale MP-2019 to Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP-2020 Mortality Improvement Scale.

As of September 30, 2021, all assumptions, methods, and results were based on the fiscal year 2020 GASB 75 actuarial report dated February 1, 2021. There were no significant changes to the assumptions since the report except the discount rate, which decreased from 2.21% to 2.15%.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE M - OTHER POSTEMPLOYMENT BENEFITS (Continued)

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 (3.40%) or 1-percentage-point higher (5.40%) than the current discount rate at September 30, 2022:

	1.0% Decrease (3.40%)	Discount Rate (4.40%)	1.0% Increase (5.40%)
Total OPEB Liability	\$ 594,000	\$ 571,000	\$ 547,000

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 (1.15%) or 1-percentage-point higher (3.15%) than the current discount rate at September 30, 2021:

	1.0% Decrease (1.15%)	Discount Rate (2.15%)	1.0% Increase (3.15%)
Total OPEB Liability	\$ 782,000	\$ 755,000	\$ 726,000

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 (5.50% decreasing to 3.04%) or 1-percentage-point higher (7.50% decreasing to 5.04%) than the current healthcare cost trend rates at September 30, 2022:

	1.0% Decrease (5.50% decreasing to 3.04%)	Healthcare cost Trend Rates (6.50% decreasing to 4.04%)	1.0% Increase (7.50% decreasing to 5.04%)
Total OPEB Liability	\$ 520,000	\$ 571,000	\$ 629,000

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 (4.50% decreasing to 3.50%) or 1-percentage-point higher (6.50% decreasing to 5.50%) than the current healthcare cost trend rates at September 30, 2021:

	1.0% Decrease (4.50% decreasing to 3.50%)	Healthcare cost Trend Rates (5.50% decreasing to 4.50%)	1.0% Increase (6.50% decreasing to 5.50%)
Total OPEB Liability	\$ 705,000	\$ 755,000	\$ 809,000

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

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, 2022, the Authority recognized OPEB expense of \$53,000. At September 30, 2022, 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	\$ 47,000	\$ 244,000
Changes of Assumptions/Inputs	244,000	49,000
Total	<u>\$ 291,000</u>	<u>\$ 293,000</u>

For the year ended September 30, 2021, the Authority recognized OPEB expense of \$62,000. At September 30, 2021, 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	\$ -	\$ 163,000
Changes of Assumptions/Inputs	284,000	7,000
Total	<u>\$ 284,000</u>	<u>\$ 170,000</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, 2023	\$ (1,300)
September 30, 2024	(1,300)
September 30, 2025	(1,300)
September 30, 2026	(1,300)
September 30, 2027	(1,300)
Thereafter	4,500
	<u>\$ (2,000)</u>

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

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.

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, 2022 and 2021

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, 2022 and 2021

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, 2022 and 2021 were as follows:

Class	10/01/20 through 06/30/21	07/01/21 through 06/30/22	07/01/22 through 09/30/22
Regular Class	10.00%	10.82%	11.91%
Senior Management Service Class	27.29%	29.01%	31.57%
Special Risk Class	24.45%	25.89%	27.83%
DROP	16.98%	18.34%	18.60%

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, 2020 through September 30, 2022.

For the fiscal year ended September 30, 2022, the Authority made contributions of \$2,879,011 to the Pension Plan and \$2,788,809 for the fiscal year ended September 30, 2021.

Pension Liabilities and Pension Expense: At September 30, 2022, the Authority reported a liability of \$27,459,669 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Authority's proportionate share of the net pension liability was based on the Authority's 2021-22 plan year contributions relative to the 2021-22 plan year contributions of all participating members. At June 30, 2022, the Authority's proportionate share was 0.073800370 percent, which was a decrease of 0.001220435 percent from its proportionate share measured as of June 30, 2021.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

Pension Plan (Continued)

Pension Liabilities and Pension Expense (Continued)

At September 30, 2021, the Authority reported a liability of \$5,666,969 for its proportionate share of the Pension Plan's net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2021. The Authority's proportionate share of the net pension liability was based on the Authority's 2020-21 plan year contributions relative to the 2020-21 plan year contributions of all participating members. At June 30, 2021, the Authority's proportionate share was 0.075020805 percent, which was an increase of 0.008111006 percent from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2022 and 2021, the Authority recognized pension expense of \$4,363,171 and \$591,959, 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, 2022		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 1,304,176	\$
Change of assumptions	3,381,773	
Net difference between projected and actual earnings on Pension Plan investments	1,813,158	
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	2,020,730	286,593
Pension Plan contributions subsequent to the measurement date	870,577	
Total	\$ 9,390,414	\$ 286,593

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

Pension Plan (Continued)

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

September 30, 2021		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 971,328	\$
Change of assumptions	3,877,621	
Net difference between projected and actual earnings on Pension Plan investments		19,770,631
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	2,620,143	43,941
Pension Plan contributions subsequent to the measurement date	829,782	
Total	\$ 8,298,874	\$ 19,814,572

The deferred outflows of resources related to the Pension Plan at September 30, 2022, totaling \$870,577 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 ending September 30, 2023. The deferred outflows of resources related to the Pension Plan at September 30, 2021, totaling \$829,782 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, 2022. 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
2023	\$ 2,078,505
2024	1,110,071
2025	(40,415)
2026	4,868,582
2027	216,501
Thereafter	\$ 8,233,244

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

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, 2022	September 30, 2021
Valuation date	July 1, 2022	July 1, 2021
Measurement date	June 30, 2022	June 30, 2021
Inflation	2.40%	2.40%
Salary increases	3.25%, average, including inflation	3.25%, average, including inflation
Investment rate of return	6.70%, net of pension plan investment expense, including inflation	6.80%, 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, 2022, 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, 2021, 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, 2022				
Description	(1) Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.6%	2.6%	1.1%
Fixed Income	19.8%	4.4%	4.4%	3.2%
Global Equity	54.0%	8.8%	7.3%	17.8%
Real Estate	10.3%	7.4%	6.3%	15.7%
Private Equity	11.1%	12.0%	8.9%	26.3%
Strategic Investments	3.8%	6.2%	5.9%	7.8%
Total	<u>100%</u>			
Assumed Inflation - Mean			2.4%	1.2%

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

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

Pension Plan (Continued)

Actuarial Assumptions (Continued)

September 30, 2021				
Description	(1) Target Allocation	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1.0%	2.1%	2.1%	1.1%
Fixed Income	20.0%	3.8%	3.7%	3.3%
Global Equity	54.2%	8.2%	6.7%	17.8%
Real Estate	10.3%	7.1%	6.2%	13.8%
Private Equity	10.8%	11.7%	8.5%	26.4%
Strategic Investments	3.7%	5.7%	5.4%	8.4%
Total	100%			
Assumed Inflation - Mean			2.4%	1.2%

(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, 2022 and 2021 was 6.70% and 6.80%, 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 6.70%, 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 (5.70%) or one percentage point higher (7.70%) than the current rate at September 30, 2022:

	1% Decrease (5.70%)	Current Discount Rate (6.70%)	1% Increase (7.70%)
Proportionate share of the net pension liability	\$ 47,486,608	\$ 27,569,669	\$ 10,712,255

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

Pension Plan (Continued)

Sensitivity of the Authority's Proportionate Share of the Net Pension 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 6.80%, 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, 2021:

	1% Decrease (5.80%)	Current Discount Rate (6.80%)	1% Increase (7.80%)
	<u> </u>	<u> </u>	<u> </u>
Proportionate share of the net pension liability	<u>\$ 25,343,066</u>	<u>\$ 5,666,969</u>	<u>\$ (10,780,041)</u>

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 Annual Comprehensive Financial Report.

Payables to the Pension Plan: At September 30, 2022, the Authority had a \$400,363 payable for outstanding contributions to the Pension Plan for the fiscal year ended September 30, 2022. At September 30, 2021, the Authority had a \$391,217 payable for outstanding contributions to the Pension Plan for the fiscal year ended September 30, 2021.

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, 2022 and 2021, 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.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy (HIS) Program (Continued)

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, 2022 and 2021, 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 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 \$496,879 for the fiscal year ended September 30, 2022 and \$505,610 for the fiscal year ended September 30, 2021.

Pension Liabilities and Pension Expense: At September 30, 2022, the Authority reported a liability of \$8,639,622 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2022. The Authority's proportionate share of the net pension liability was based on the Authority's 2021-22 plan year contributions relative to the 2021-22 plan year contributions of all participating members. At June 30, 2022, the Authority's proportionate share was 0.081570533 percent, which was a decrease of 0.001243618 percent from its proportionate share measured as of June 30, 2021.

At September 30, 2021, the Authority reported a liability of \$10,158,401 for its proportionate share of the HIS Plan's net pension liability. The net pension liability was measured as of June 30, 2021, 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 2020-21 plan year contributions relative to the 2020-21 plan year contributions of all participating members. At June 30, 2021, the Authority's proportionate share was 0.082814151 percent, which was an increase of 0.001511807 percent from its proportionate share measured as of June 30, 2020.

For the fiscal year ended September 30, 2022 and 2021, the Authority recognized pension expense of \$549,555 and \$841,722, respectively.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

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, 2022		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 262,233	\$ 38,015
Change of assumptions	495,229	1,336,544
Net difference between projected and actual earnings on Pension Plan investments	12,508	
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	311,795	149,588
Pension Plan contributions subsequent to the measurement date	131,455	
Total	\$ 1,213,220	\$ 1,524,147

September 30, 2021		
Description	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ 339,926	\$ 4,255
Change of assumptions	798,223	418,552
Net difference between projected and actual earnings on Pension Plan investments	10,590	
Change in proportion and differences between Authority Pension Plan contributions and proportionate share of contributions	463,136	56,686
Pension Plan contributions subsequent to the measurement date	128,827	
Total	\$ 1,740,702	\$ 479,493

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

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, 2022, totaling \$131,455 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 ending September 30, 2023. The deferred outflows of resources related to the HIS Plan at September 30, 2021, totaling \$128,827 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, 2022. 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
2023	\$ (98,521)
2024	(26,230)
2025	12,904
2026	(47,716)
2027	(190,375)
Thereafter	(92,444)
	<u>\$ (442,382)</u>

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

	September 30, 2022	September 30, 2021
Valuation date	July 1, 2022	July 1, 2020
Measurement date	June 30, 2022	June 30, 2021
Inflation	2.40%	2.40%
Salary increases	3.25%, average, including inflation	3.25%, average, including inflation
Municipal bond rate	3.54%	2.16%
Long-term expected rate of return	N/A	N/A
Mortality	Generational PUB-2010 with Projection Scale MP-2018	Generational PUB-2010 with Projection 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, 2022, 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, 2021, were based on certain results of an actuarial experience study of the FRS for the period July 1, 2013 through June 30, 2018.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE N - FLORIDA RETIREMENT SYSTEM (Continued)

Retiree Health Insurance Subsidy (HIS) Program (Continued)

Discount Rate: The discount rate used to measure the total pension liability at September 30, 2022 and 2021 was 3.54% and 2.16%, 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 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 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 3.54%, 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 (2.54%) or one percentage point higher (4.54%) than the current rate at September 30, 2022:

	<u>1% Decrease (2.54%)</u>	<u>Current Discount Rate (3.54%)</u>	<u>1% Increase (4.54%)</u>
Proportionate share of the net pension liability	<u>\$ 9,884,437</u>	<u>\$ 8,639,622</u>	<u>\$ 7,609,564</u>

The following represents the Authority's proportionate share of the net pension liability calculated using the discount rate of 2.16%, 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 (1.16%) or one percentage point higher (3.16%) than the current rate at September 30, 2021:

	<u>1% Decrease (1.16%)</u>	<u>Current Discount Rate (2.16%)</u>	<u>1% Increase (3.16%)</u>
Proportionate share of the net pension liability	<u>\$ 11,744,095</u>	<u>\$ 10,158,401</u>	<u>\$ 8,859,279</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 Annual Comprehensive Financial Report.

Payables to the Pension Plan: At September 30, 2022, the Authority had \$55,686 payable for outstanding contributions to the HIS Plan for the fiscal year ended September 30, 2022. At September 30, 2021, the Authority had \$54,840 payable for outstanding contributions to the HIS Plan for the fiscal year ended September 30, 2021.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

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, 2022.

Description	Pension Plan	HIS Plan	Total
Proportionate share of total pension liability	\$ 160,467,422	\$ 9,076,325	\$ 169,543,747
Proportionate share of plan fiduciary net position	133,007,753	436,703	133,444,456
Proportionate share of net pension liability	27,459,669	8,639,622	36,099,291
Proportionate share of deferred outflows of resources	9,390,414	1,213,220	10,603,634
Proportionate share of deferred inflows of resources	286,593	1,524,147	1,810,740
Pension expense	4,363,171	549,555	4,912,726

The following table provides a summary of significant information related to the Florida Retirement System defined benefit plans for the year ended September 30, 2021.

Description	Pension Plan	HIS Plan	Total
Proportionate share of total pension liability	\$ 157,270,649	\$ 10,533,232	\$ 167,803,881
Proportionate share of plan fiduciary net position	151,603,680	374,831	151,978,511
Proportionate share of net pension liability	5,666,969	10,158,401	15,825,370
Proportionate share of deferred outflows of resources	8,298,874	1,740,702	10,039,576
Proportionate share of deferred inflows of resources	19,814,572	479,493	20,294,065
Pension expense	591,959	841,722	1,433,681

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 Annual Comprehensive Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS 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, 2022 and 2021

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, 2020 through September 30, 2022, 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, 2022 and 2021, are as follows:

Class	10/01/20 through 06/30/21	07/01/21 through 06/30/22	07/01/22 through 09/30/22
Regular Class	10.00%	10.82%	11.91%
Senior Management Service Class	27.29%	29.01%	31.57%
Special Risk Class	24.45%	25.89%	27.83%
DROP	16.98%	18.34%	18.60%

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, 2022 and 2021, 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, 2022 and 2021, the Authority's Investment Plan pension expense totaled \$532,724 and \$411,029, respectively.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE O - MAJOR CUSTOMERS

Waste Management of Palm Beach accounted for 9.3% and 13.6% of 2022 and 2021 tipping fee revenues, respectively. Waste Pro of Florida accounted for 8.2% and 9.0% of 2022 and 2021 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 \$12.3 million at September 30, 2022.

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 and entered into a new 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, 2032.

The Authority paid \$2,454,914 and \$2,383,412 for 2022 and 2021, respectively. The Authority is required to pay \$2,528,561 under the new agreement for the fiscal year ending September 30, 2023. The amount due each year can increase up to 3% per year.

NOTE Q - LEASES

Effective October 1, 2021, the Authority implemented Governmental Accounting Standards Board Statement 87 (GASB 87), *Leases*. Restatement for the implementation of GASB 87 as of October 1, 2020 and October 1, 2021 were deemed insignificant.

Right to Use Lease

Canon Solutions America: The Authority has entered into multiple lease agreements with Canon Solutions America to lease various equipment. The lease agreements have an initial term from 36 to 60 months paid monthly with a starting date ranging from December 2018 to January 2021. The discount rate was 4% using the Authority's estimated incremental borrowing rate.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE Q - LEASES (Continued)

Right to Use Lease (Continued)

City of Delray Beach: The Authority has entered into a lease agreement with the City of Delray Beach to lease the Delray Beach transfer station. The initial term of the lease was for a 20-year period commencing on October 1, 2000 and was extended for an additional 20 years starting October 1, 2020 under the existing terms of the original lease. The discount rate was 4% using the Authority's estimated incremental borrowing rate. Per the agreement, annual lease payments may be adjusted due to the change in the Consumer Price Index (CPI). For the year ending September 30, 2022, the CPI adjustment of \$13,243 was not included in the initial measurement of the lease.

Scripps Media, Inc.: The Authority has entered into a lease agreement with Scripps Media, Inc. to lease space on a transmission tower. The initial term of the lease was for a 3-year period commencing on July 1, 2014 with the option to extend for nine (9) additional years in three (3) year increments. The discount rate was 4% using the Authority's estimated incremental borrowing rate. Per the agreement, monthly lease payments are increased 3% on each anniversary date.

The Authority's consolidated annual lease requirements to term as of September 30, 2022 are as follows:

Year Ending September 30,	Principal	Interest	Total
2023	\$ 176,292	\$ 82,213	\$ 258,505
2024	115,277	75,988	191,265
2025	97,067	72,105	169,172
2026	97,166	68,216	165,382
2027	88,310	64,614	152,924
2028-2032	497,447	267,173	764,620
2033-2037	605,220	159,400	764,620
2038-2040	424,379	34,394	458,773
	\$ 2,101,158	\$ 824,103	\$ 2,925,261

Lessor Lease

Stofin Co., Inc.: The Authority has entered into a lease agreement with Stofin Co., Inc. which allows the use of the Authority's property for agricultural purposes. The initial term of the lease was for a 10-year period commencing on December 16, 1996 with the option to extend for six (6) additional terms in four (4) year increments. The discount rate was 3% using the implicit rate of the lease. Per the agreement, annual lease payments may be adjusted due to the change in the Producer Price Index (PPI) for raw cane sugar. For the year ending September 30, 2022, the PPI adjustment was included in the initial measurement of the lease.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2022 and 2021

NOTE Q - LEASES (Continued)

Lessor Lease (Continued)

D.S. Eakins Construction: The Authority has entered into a lease agreement with D.S. Eakins Construction which allows the use of the Authority's land for a transmission tower site. The initial term of the lease was for a 10-year period commencing on December 10, 2018 with the option to extend for two (2) successive terms in five (5) year increments. The discount rate was 3% using the implicit rate of the lease. Per the agreement, annual lease payments may be adjusted due to the change in the Consumer Price Index (CPI) for all Urban Consumers All Items. For the year ending September 30, 2022, the CPI adjustment of \$5,906 was not included in the initial measurement of the lease.

Vertical Bridge CC FM, LLC: The Authority has entered into a lease agreement with D.S. Eakins Construction which allows the use of the Authority's land for storage purposes. The initial term of the lease was for a 5-year period commencing on January 18, 2016 with three (3) automatic renewal periods of five (5) years each. The discount rate was 3% using the implicit rate of the lease. Per the agreement, annual lease payments are increased 3% on each anniversary date.

For the year ending September 30, 2022, the Authority recognized \$365,317 in lease revenue and \$121,851 in interest revenue related to leases.

The Authority's consolidated annual lease requirements to term as of September 30, 2022 are as follows:

Year Ending September 30,	Principal	Interest	Total
2023	\$ 313,561	\$ 121,851	\$ 435,412
2024	324,295	112,445	436,740
2025	335,392	102,716	438,108
2026	346,863	92,654	439,517
2027	358,720	82,248	440,968
2028-2032	1,469,305	249,908	1,719,213
2033-2037	780,904	86,269	867,173
2038	132,671	3,980	136,651
	<u>\$ 4,061,711</u>	<u>\$ 852,071</u>	<u>\$ 4,913,782</u>

**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>	<u>2021</u>	<u>2022</u>
Total OPEB liability					
Service cost	\$ 21,000	\$ 22,000	\$ 28,000	\$ 30,000	\$ 42,000
Interest cost	30,000	28,000	18,000	17,000	13,000
Difference between expected & actual experience	-	-	(206,000)	-	(87,000)
Changes of assumptions and other inputs	(11,000)	26,000	336,000	1,000	(49,000)
Benefit payments	(79,000)	(96,000)	(93,000)	(63,000)	(103,000)
Net change in total OPEB liability	(39,000)	(20,000)	83,000	(15,000)	(184,000)
Total OPEB liability, beginning of year	<u>746,000</u>	<u>707,000</u>	<u>687,000</u>	<u>770,000</u>	<u>755,000</u>
Total OPEB liability, end of year	<u>\$ 707,000</u>	<u>\$ 687,000</u>	<u>\$ 770,000</u>	<u>\$ 755,000</u>	<u>\$ 571,000</u>
Covered-employee payroll	\$ 23,959,000	\$ 25,841,000	\$ 26,199,000	\$ 27,218,216	\$ 27,904,563
Total OPEB liability as a percentage of covered-employee payroll	2.95%	2.66%	2.94%	2.77%	2.05%

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, 2022 valuation, all assumptions, methods, and results are based on the fiscal year 2021 GASB75 actuarial report dated November 11, 2021. Changes to the assumptions since the last actuarial valuation include the discount rate was increased from 2.15% to 4.40% in fiscal year 2022 and mortality assumption was updated from Pub-2010 mortality table with generational scale MP-2019 to Pub-2010 General Employees Headcount-Weighted Mortality Projected with Fully Generational MP-2020 Mortality Improvement Scale. For the September 30, 2021 and 2020 valuation, all assumptions, methods, and results are based on the fiscal year 2020 GASB75 actuarial report dated February 1, 2021. Changes to the assumptions since the last actuarial valuation include the discount rate was decreased from 2.66% to 2.21% in fiscal year 2020 and decreased from 2.21% to 2.15% in fiscal year 2021; 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% in fiscal year 2019.

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>	<u>2018</u>
Contractually required FRS contribution	\$ 1,332,111	\$ 1,426,153	\$ 1,429,340	\$ 1,570,296	\$ 1,717,280
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>	<u>(1,717,280)</u>
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 19,772,903	\$ 20,091,083	\$ 21,051,861	\$ 22,024,734	\$ 22,823,877
FRS contributions as a percentage of covered payroll	6.74%	7.10%	6.79%	7.13%	7.52%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Contractually required FRS contribution	\$ 1,903,110	\$ 2,186,868	\$ 2,788,809	\$ 2,879,011	
FRS contributions in relation to the contractually required contribution	<u>(1,903,110)</u>	<u>(2,186,868)</u>	<u>(2,788,809)</u>	<u>(2,879,011)</u>	
FRS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Authority's covered payroll	\$ 23,834,076	\$ 24,883,857	\$ 26,432,730	\$ 25,238,228	
FRS contributions as a percentage of covered payroll	7.98%	8.79%	10.55%	11.41%	

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 - PENSION PLAN**

Last Ten Fiscal Years

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
Proportion of the FRS net pension liability	0.0630379%	0.0626365%	0.0648132%	0.0635171%	0.0636583%
Proportionate share of the FRS net pension liability	\$ 3,848,240	\$ 8,090,343	\$ 16,365,396	\$ 18,787,926	\$ 19,174,210
Authority's covered payroll	\$ 19,815,911	\$ 19,555,196	\$ 21,647,567	\$ 21,795,240	\$ 22,671,421
Authority's proportionate share of the FRS net pension liability as a percentage of covered payroll	19.42%	41.37%	75.60%	86.20%	84.57%
FRS Plan fiduciary net position as a percentage of the total pension liability	96.09%	92.00%	84.88%	83.89%	84.26%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Proportion of the FRS net pension liability	0.0644148%	0.0669098%	0.0750208%	0.0738004%	
Proportionate share of the FRS net pension liability	\$ 22,183,563	\$ 28,999,693	\$ 5,666,969	\$ 27,459,669	
Authority's covered payroll	\$ 23,546,088	\$ 24,654,558	\$ 25,444,717	\$ 25,385,048	
Authority's proportionate share of the FRS net pension liability as a percentage of covered payroll	94.21%	117.62%	22.27%	108.17%	
FRS Plan fiduciary net position as a percentage of the total pension liability	82.61%	78.85%	96.40%	82.89%	

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 Annual Comprehensive 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; remained 6.80% in 2021; decreased to 6.70% in 2022. 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>	<u>2018</u>
Contractually required HIS contribution	\$ 257,664	\$ 310,975	\$ 396,210	\$ 415,575	\$ 427,278
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>	<u>(427,278)</u>
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Authority's covered payroll	\$ 22,185,466	\$ 22,716,328	\$ 23,868,058	\$ 25,034,650	\$ 25,739,685
HIS contributions as a percentage of covered payroll	1.16%	1.37%	1.66%	1.66%	1.66%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Contractually required HIS contribution	\$ 448,920	\$ 474,046	\$ 505,610	\$ 496,879	
HIS contributions in relation to the contractually required contribution	<u>(448,920)</u>	<u>(474,046)</u>	<u>(505,610)</u>	<u>(496,879)</u>	
HIS contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
Authority's covered payroll	\$ 27,043,385	\$ 28,556,970	\$ 30,458,468	\$ 29,932,457	
HIS contributions as a percentage of covered payroll	1.66%	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>	<u>2018</u>
Proportion of the HIS net pension liability	0.0745754%	0.0739556%	0.0795028%	0.0776703%	0.0784037%
Proportionate share of the HIS net pension liability	\$ 6,972,985	\$ 7,542,309	\$ 9,265,726	\$ 8,304,865	\$ 8,298,340
Authority's covered payroll	\$ 22,152,039	\$ 22,436,802	\$ 24,543,064	\$ 24,772,565	\$ 25,608,028
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%	32.41%
HIS Plan fiduciary net position as a percentage of the total pension liability	0.99%	0.50%	0.97%	1.64%	2.15%
	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	
Proportion of the HIS net pension liability	0.0797253%	0.0813023%	0.0828142%	0.0815705%	
Proportionate share of the HIS net pension liability	\$ 8,920,460	\$ 9,926,884	\$ 10,158,401	\$ 8,639,622	
Authority's covered payroll	\$ 26,663,556	\$ 28,213,241	\$ 29,322,513	\$ 29,750,795	
Authority's proportionate share of the HIS net pension liability as a percentage of it covered payroll	33.46%	35.19%	34.64%	29.04%	
HIS Plan fiduciary net position as a percentage of the total pension liability	2.63%	3.00%	3.56%	4.81%	

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 Annual Comprehensive 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; decreased to 2.16% in 2021; increased to 3.54% in 2022. 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 annual comprehensive 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.

Contents	Page
Financial Trends.....	74
<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	77
<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.....	87
<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.....	90
<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	92
<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 annual comprehensive 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		
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	443,189,474	41,915,428	29,547,936	26,881,625	103,254,989	644,789,452
2021	432,585,695	20,101,361	43,370,806	29,212,231	139,900,840	665,170,933
2022	428,493,461	48,124,942	57,524,186	29,436,977	130,828,579	694,408,145

Source: Authority financial records.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

CHANGES IN NET POSITION

Last Ten Fiscal Years

	Fiscal Years Ended September 30,			
	2013	2014	2015	2016
Operating revenues				
Assessments	\$200,381,476	\$195,603,597	\$196,645,513	\$191,653,425
Tipping fees	27,925,989	31,421,699	35,222,136	40,066,074
Electric generation	20,481,936	21,281,583	25,606,784	37,548,144
Recycling income	9,060,964	10,806,910	9,767,381	8,419,940
Franchise fees	1,450,295	1,344,554	1,281,758	1,253,400
Compost fees	831,334	831,334	-	-
Other revenues	110,476	792,942	497,155	314,198
	260,242,470	262,082,619	269,020,727	279,255,181
Operating expenses				
Franchise hauler contract payments	44,011,590	34,027,279	33,701,772	33,307,461
Contract payments to plant operators	44,768,109	45,557,698	57,174,102	63,709,248
Personal services	32,278,827	33,620,291	33,630,134	37,868,445
Depreciation and amortization	36,087,895	37,525,164	42,154,314	67,469,826
Landsite expenses	5,628,434	9,633,377	4,091,016	3,769,780
Contractual services	12,640,433	15,348,190	13,377,465	11,880,816
Repairs and maintenance	4,701,140	4,590,294	4,458,768	4,275,953
Other expenses	14,322,902	16,078,977	15,724,400	16,332,680
	194,439,330	196,381,270	204,311,971	238,614,209
OPERATING INCOME	65,803,140	65,701,349	64,708,756	40,640,972
Nonoperating revenues (expenses)				
Grant income	-	-	-	-
Investment income	1,261,126	775,604	897,341	1,384,183
Miscellaneous income	576,030	1,365,184	426,400	443,109
Gain (loss) on disposal of capital assets	1,106,454	1,996,256	803,786	2,134,952
Loss on extinguishment of debt	(1,195,384)	(1,194,907)	(1,107,616)	(8,683,762)
Interest expense	(20,331,877)	(22,625,551)	(23,411,800)	(43,092,089)
Other expense	(103,855)	-	-	-
	(18,687,506)	(19,683,414)	(22,391,889)	(47,813,607)
INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS	47,115,634	46,017,935	42,316,867	(7,172,635)
Capital contributions	2,490,891	657,103	-	-
INCREASE (DECREASE) IN NET POSITION	\$49,606,525	\$46,675,038	\$42,316,867	(\$7,172,635)

Source: Authority financial records.

Fiscal Years Ended September 30,

2017	2018	2019	2020	2021	2022
\$191,553,915	\$197,454,060	\$203,681,416	\$209,959,356	\$207,815,611	\$214,321,185
42,246,994	42,952,820	47,194,333	49,009,905	54,113,666	57,158,116
37,960,547	39,538,930	43,621,461	40,393,171	48,401,495	55,317,955
11,080,401	8,720,428	8,131,321	8,609,874	16,093,160	18,461,053
1,259,435	1,338,711	1,490,997	1,904,940	1,839,638	2,206,670
-	-	-	-	-	-
284,450	2,348,557	286,308	52,789	31,454	258,781
284,385,742	292,353,506	304,405,836	309,930,035	328,295,024	347,723,760
34,151,678	34,843,659	42,101,202	48,063,110	48,988,776	52,647,615
65,678,893	67,781,566	71,167,005	72,970,449	77,303,254	83,138,699
40,543,773	40,551,925	45,766,109	48,587,908	43,496,162	47,389,897
70,849,791	65,735,367	66,532,810	62,681,112	62,083,943	65,669,216
5,895,936	7,427,393	5,604,347	4,833,151	6,185,428	15,841,218
17,041,246	45,900,272	13,265,101	15,039,740	16,575,657	16,774,027
4,063,044	4,607,034	4,267,797	4,945,588	4,902,838	4,655,109
16,817,239	16,843,399	17,992,510	17,348,790	19,541,642	22,357,517
255,041,600	283,690,615	266,696,881	274,469,848	279,077,700	308,473,298
29,344,142	8,662,891	37,708,955	35,460,187	49,217,324	39,250,462
1,341,298	19,584,021	17,003,773	8,497	-	-
2,745,310	6,230,702	14,501,402	12,200,067	8,889,084	3,163,737
511,444	342,576	580,754	468,028	423,281	614,381
802,976	1,422,402	927,182	1,001,471	1,278,760	(932,935)
-	-	(320,070)	(535,173)	-	-
(38,739,607)	(34,256,745)	(39,619,843)	(42,454,923)	(39,280,227)	(12,858,433)
-	-	-	-	(197,916)	-
(33,338,579)	(6,677,044)	(6,926,802)	(29,312,033)	(28,887,018)	(10,013,250)
(3,994,437)	1,985,847	30,782,153	6,148,154	20,330,306	29,237,212
-	300,564	824,916	-	51,175	-
(\$3,994,437)	\$2,286,411	\$31,607,069	\$6,148,154	\$20,381,481	\$29,237,212

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>
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
2021	173.00	95.00	164.00
2022	178.00	96.00	168.00

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>
\$ 0.081	\$ 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
0.073	0.190	1.042	0.011	400.00
0.075	0.195	1.060	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
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
2021	244	302	170	172	334	238	N/A	N/A	N/A	N/A	N/A
2022	252	315	175	177	344	245	N/A	N/A	N/A	N/A	N/A

Source: Authority financial records.

In 2014, the unincorporated area of the County was reduced to five districts.

In 2020, the unincorporated area of the County was increased to six districts.

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
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
2021	128	106	83	82	255	106	N/A	N/A	N/A	N/A	N/A
2022	132	110	86	85	264	110	N/A	N/A	N/A	N/A	N/A

Source: Authority financial records.

In 2014, the unincorporated area of the County was reduced to five districts.

In 2020, the unincorporated area of the County was increased to six districts.

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>
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
2021	207,952,526	207,557,994	99.81	257,617	207,815,611	99.93
2022	213,274,130	214,168,269	100.42	152,916	214,321,185	100.49

Source: Authority financial records.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

TEN LARGEST ASSESSMENT PAYERS

Current Year and Nine Years Ago

Customer Name	2022			2013		
	Assessment	Rank	Percentage	Assessment	Rank	Percentage
	Paid		of Total	Paid		of Total
			Assessment			Assessment
			Revenue			Revenue
Boca Corporate Center LLC/ Boca T Rex Borrower LLC	\$ 348,329	1	0.16 %	\$ 420,638	1	0.21 %
Panthers BRHC, LTD./ Boca Owner LLC	263,842	2	0.12	283,987	2	0.14
Costco Wholesale Corp	249,189	3	0.12			
Town Center at Boca Raton	225,921	4	0.11	243,533	3	0.12
United Aircraft Corp/ Raytheon Technologies Corp	202,937	5	0.09	192,260	6	0.10
Lawrence L. Landry/ Gardens Venture LLC	178,698	6	0.08	191,640	7	0.10
Land Resources Investment	175,830	7	0.08	192,561	5	0.10
TJ Palm Beach Assoc. LTD./ TM Wellington Green Mall LP	170,008	8	0.08	196,624	4	0.10
Excel Gardens LLC	164,000	9	0.08			
JFK Medical Center Limited Partnership	160,620	10				
Breakers Palm Beach, Inc.				169,464	9	0.08
GLL Real Estate Partners/ Gll US Retail LP				169,049	10	0.08
Downtown at the Gardens Assoc.				171,822	8	0.09
	<u>\$ 2,139,374</u>		<u>0.92 %</u>	<u>\$ 2,231,578</u>		<u>1.12 %</u>

Source: Authority financial records.

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

TIPPING FEE RATES

Last Ten Fiscal Years

<u>Type of Waste (1)</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>	<u>2021</u>	<u>2022</u>
Garbage and trash										
Commercial	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42	\$ 42
Out-of-County	159	153	153	143	137	141	136	138	137	137
Building / land clearing	40	45	45	45	45	48	52	52	55	60
Construction debris recycling residue	21	21	21	25	25	25	25	25	25	25
Restricted use fill	4	4	4	4	4	4	4	4	4	4
Tires:										
Whole passenger	190	190	190	35	35	35	35	55	75	100
Whole truck	190	190	190	190	190	190	190	190	190	190
Shredded	25	25	25	10	10	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	30	30	32	35
White goods	10	10	10	10	10	10	10	10	10	10
Dewatered sludge	100	100	100	100	100	100	100	100	100	100
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	30
Minimum charge (per visit)	2	2	2	2	2	4	4	4	10	10

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)
2013	935,446	782,623	1,718,069	14.0	106,361	0.0	42.00	40.00
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
2021	(2) 1,100,871	1,087,607	2,188,478	1.8	110,054	(0.9)	42.00	55.00
2022	(2) 1,109,309	1,105,556	2,214,866	1.2	105,429	(4.2)	42.00	60.00

Source: Authority financial records.

(1) Rate is for building and land clearing debris.

(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

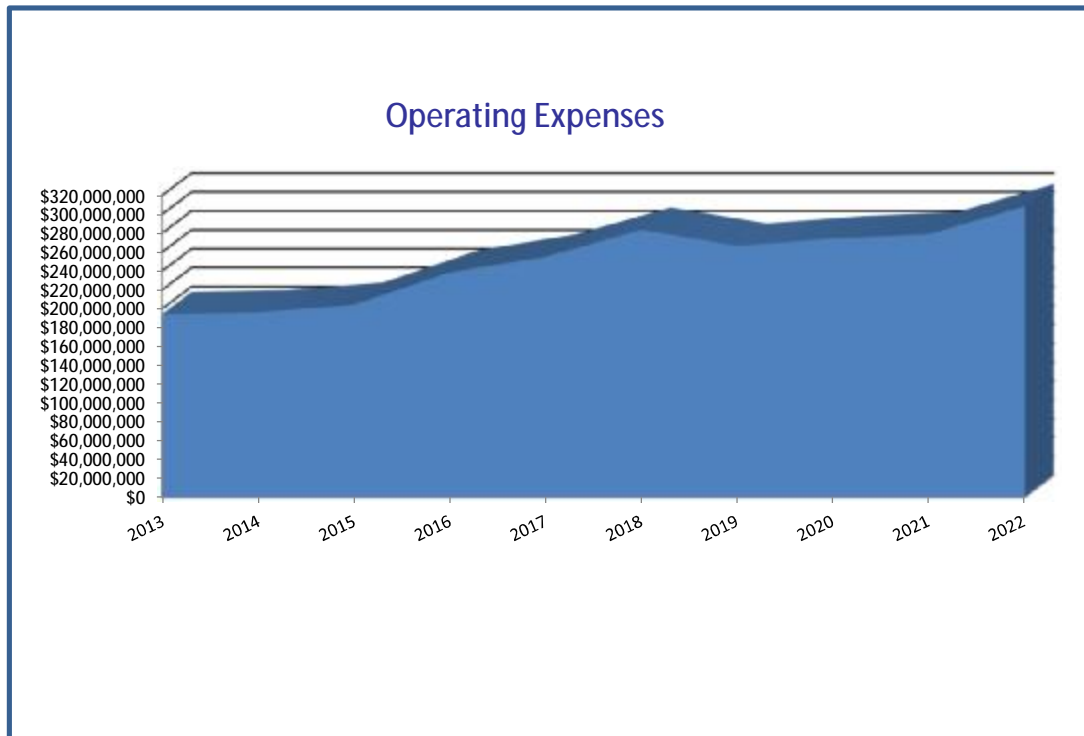
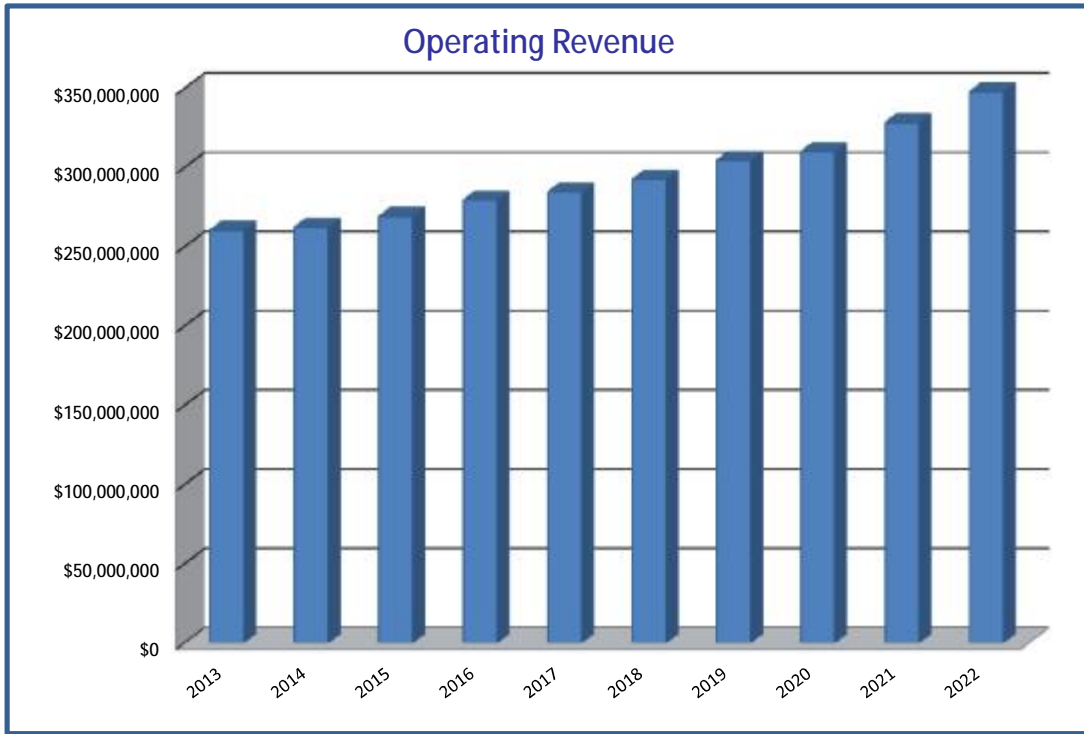
	2022			2013		
	<u>Tipping Fee Revenue</u>	<u>Rank</u>	<u>Percentage of Total Tipping Fee Revenue</u>	<u>Tipping Fee Revenue</u>	<u>Rank</u>	<u>Percentage of Total Tipping Fee Revenue</u>
Waste Management of Palm Beach	\$5,302,698	1	9.3 %	\$ 4,843,906	1	17.3 %
Waste Pro of FL Inc	4,668,951	2	8.2			
West Palm Beach Utilities Dept	2,976,300	3	5.2			
City of Boynton Beach	2,246,955	4	3.9	1,384,715	6	5.0
Southern Waste Systems/ Advance Disposal	1,785,042	5	3.1	1,085,121	7	3.9
Coastal Waste & Recycling of Martin Cty, LLC	1,771,084	6	3.1			
West Palm Beach City of Public Works	1,731,387	7	3.0			
South Central Regional WWTD	1,446,591	8	2.5	948,299	9	3.4
Palm Beach County Utilities	1,429,357	9	2.5	960,303	8	3.4
FCC Environmental Services FL, LLC	1,187,889	10	2.1			
City of West Palm Beach				1,920,047	3	6.9
Republic Services				2,297,352	2	8.2
Waste Management of Martin County				1,561,465	5	5.6
Sun Recycling				1,857,276	4	6.7
City of Boca Raton				765,229	10	2.7
	<u>\$24,546,254</u>		<u>42.9 %</u>	<u>\$ 17,623,713</u>		<u>63.1 %</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>
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
2021	942,405,000	-	22,954,049	-	965,359,049	0.73%	642.50
2022	555,995,000	-	5,212,192	-	561,207,192	0.40%	369.66

Source: Authority financial records.

Note: The Authority has no limit on total debt, but must comply with the revenue bond coverage requirement on page 88.

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	Debt Service Requirements		Debt Service Coverage (3)	
			Available For Debt Service	Revenue Bonds	Note Payable	Revenue Bonds	All Debt
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	4,424,590	1.59	1.49
2020	259,709,820	156,090,207	103,619,613	71,620,507	-	1.45	1.45
2021	275,630,453	159,317,374	116,313,079	45,658,027	-	2.55	2.55
2022	292,437,515	171,793,796	120,643,719	62,955,662	-	1.92	1.92

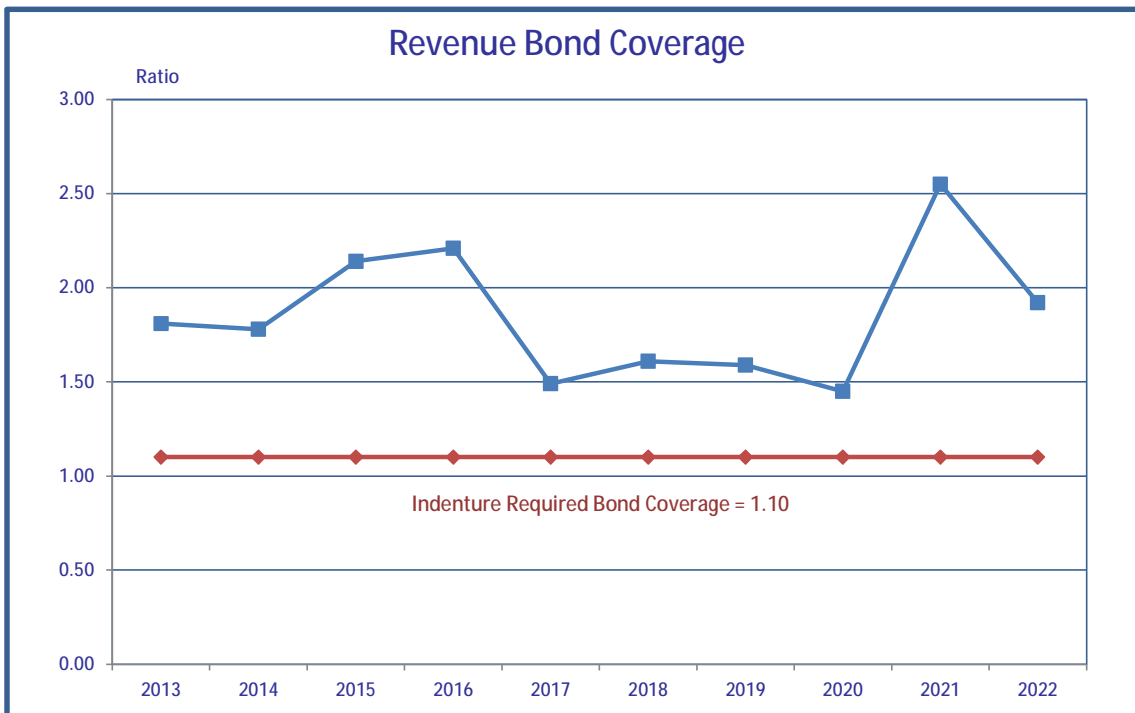
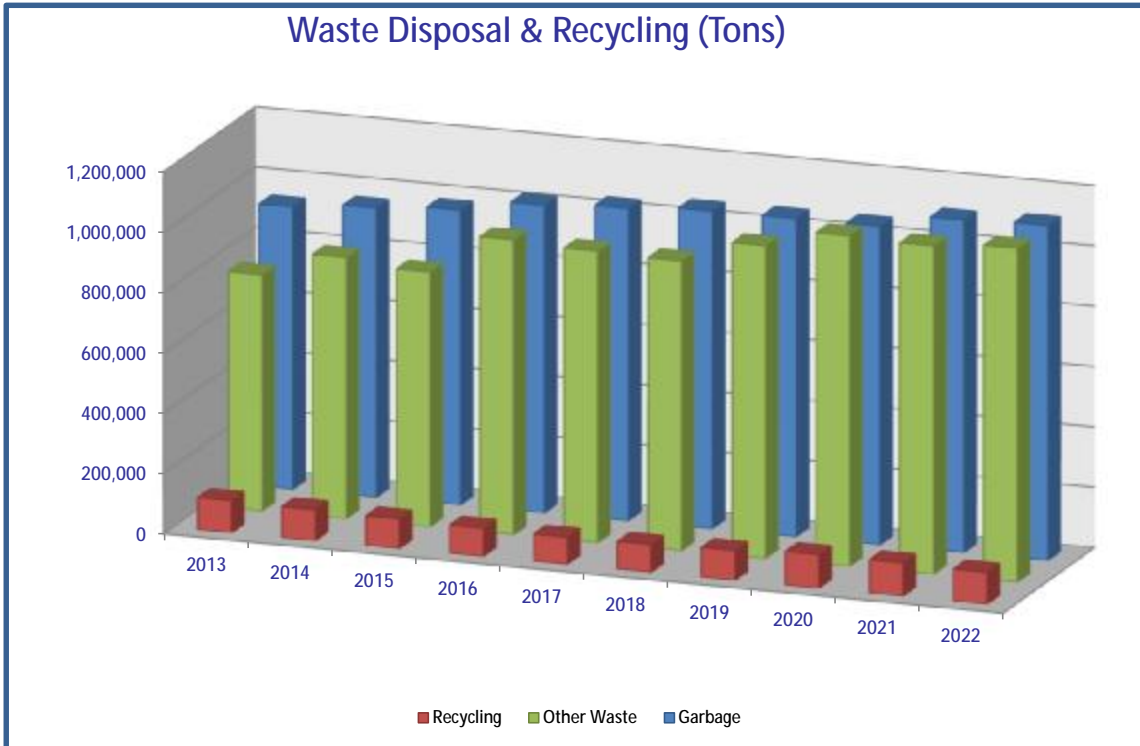
- (1) Revenues are calculated in accordance with the legal requirements of the bond documents, which define revenues as total revenues from the use of the Solid Waste System, excluding certain collection assessments and franchise fees for unincorporated areas of the County and including investment earnings 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>
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%
2021	1,502,495	131,435,258	87,478	45.2	N/A	191,798	4.7%
2022	1,518,152	140,843,515	92,773	45.2	N/A	188,186	2.9%

Data Sources:

- (1) Population data for 2013 through 2022 is from the Business Development Board of Palm Beach County.
- (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 (2022 is as of August 2022).

N/A - Not Available

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

PRINCIPAL COUNTY EMPLOYERS

Current Year and Nine Years Ago

Employer	2022			2013		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
School Board	22,426	1	1.5 %	21,495	1	3.6 %
Palm Beach County	12,054	2	0.8	11,381	2	1.9
Tenet HealthCare Corp.	5,734	3	0.4	6,100	3	1.0
FPL (NextEra Energy) Headquarters	5,330	4	0.4	3,635	4	0.1
Florida Atlantic University	5,059	5	0.3	2,706	7	0.1
Boca Raton Regional Hospital	3,135	6	0.2	2,250	10	0.0
Veterans Health Administration	2,600	7	0.2			
Hospital Corp. Of America	2,419	8	0.2	2,714	6	0.1
The Breakers	2,300	9	0.2			
Bethesda Health, Inc.	2,282	10	0.2	2,391	8	0.0
Wackenhut Corporation				3,000	5	0.1
Office Depot (Headquarters)				2,250	9	0.0
	<u>63,339</u>		<u>4.4 %</u>	<u>57,922</u>		<u>6.9 %</u>

Source: Business Development Board of Palm Beach County, Florida (last updated January 2022).

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

FULL-TIME AUTHORITY EMPLOYEES BY FUNCTION

Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Office of the Executive Director	8	7	7	7	7	36	36	9	9	9
Administration*	70	52	52	52	55	-	-	-	-	-
Finance	76	77	77	77	78	78	83	85	87	87
Engineering & Public Works	-	18	18	18	18	31	32	55	53	53
Operations	<u>264</u>	<u>264</u>	<u>264</u>	<u>264</u>	<u>261</u>	<u>274</u>	<u>274</u>	<u>280</u>	<u>280</u>	<u>280</u>
Total	<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>	<u><u>429</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, 2022

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	Closed Pending Demolition
Facilities Maintenance Building	11,804 square feet	Active

Source: Authority financial records.

Other Facilities at NCRRF Site (Continued)

	<u>Status</u>
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

<u>Gas Recovery Systems</u>	<u>Capacity</u>	<u>Status</u>
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,	<u>Landfill</u>	<u>Transfer Facilities</u>					
	<u>NCSWDF</u>	<u>Bell Glade</u>	<u>South County</u>	<u>Central County</u>	<u>North County</u>	<u>West Central</u>	<u>South West</u>
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
2021	12	12	12	12	12	12	12
2022	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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Operating Indicators				
Number of personnel				
Waste to energy facility (1)	3	3	4	4
Transfer stations	121	126	126	126
Landfill operations	32	32	32	31
Recycling (1)	15	15	15	15
Workload Indicators				
Tons of Waste processed (net of unprocessed)				
Waste to energy facility	900,310	868,819	1,230,986	1,722,169
Landfill materials	760,314	977,571	796,753	712,038
Recyclable materials	106,308	102,114	98,616	95,798
Cubic yards of landfill space				
Used during the year	1,170,680	823,422	553,719	299,675
Available at end of year	29,185,183	28,361,761	28,019,657	27,825,245
Estimated remaining life in years	33	34	32	33
Effectiveness Indicators				
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	46	149	40	14
Other facilities	15	7	3	8

Notes:

(1) Does not include personnel employed by independent operator of RMPF, PBREF#1 & PBREF#2.

(2) Includes Authority permitted facilities.

* Updated for FY 2021 publication per updates from the Authority's Landfill Surveyor see the latest LDM for more up to date information.

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

Source: Authority financial records.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
4	4	4	4	4	4
126	126	131	129	128	128
31	31	27	27	28	25
15	15	15	15	15	15
1,745,253	1,713,718	1,813,788	1,813,664	1,771,009	1,756,120
614,134	673,767	620,161	625,562	689,248	718,338
90,291	92,345	98,403	111,093	110,054	105,429
305,172 *	442,759	435,967	367,509	408,398	650,460
24,998,533	24,681,879	27,294,377	26,926,868	26,518,470	25,868,010
33	33	32	34	33	32
98%	100%	100%	100%	100%	100%
100%	100%	100%	100%	100%	100%
0%	0%	0%	0%	0%	0%
0%	0%	0%	0%	0%	0%
-	-	-	-	-	-
9	3	6	8	29	11
8	1	2	1	1	2

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

OPERATING INDICATORS (Continued)

Last Ten Fiscal Years

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Efficiency Indicators				
Percentage of waste reduction to total tons of waste received by				
Waste to energy facility - REF#1	57.59%	56.35%	52.42%	61.24%
Waste to energy facility - REF#2	0.00%	0.00%	72.40%	70.48%
Recycling (2)	54.81%	55.48%	72.03%	71.71%

Notes:

- (1) Does not include personnel employed by independent operator of NCRRF and MRF.
- (2) Includes Authority permitted facilities.
- * Updated for FY 2021 publication per the Authority's plant operator final year-end reconciliations.

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

Source: Authority financial records.

2017	2018	2019	2020	2021	2022
60.50%	60.48%	60.34%	60.12%	59.84%	56.84%
74.41%	75.11%	76.11% *	76.58%	74.74%	73.78%
70.00%	65.00%	73.14%	74.41%	77.80%	N/A

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

MISCELLANEOUS STATISTICS

September 30, 2022

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, 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
January 1, 2021	308,676,097,891
January 1, 2022	404,320,351,853

Sources:

(1) U.S. Census Bureau (PBC estimates last updated 12/2022)

(2) Palm Beach County Property Appraisers Office

OTHER INFORMATION SECTION

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

**OTHER INFORMATION - INFORMATION REQUIRED BY
SECTION 218.39(3)(c), FLORIDA STATUTES**

**For the Fiscal Year Ended September 30, 2022
Unaudited**

As required by Section 218.39(3)(c), Florida Statutes, the Authority reported:

Required Information		Reported
The total number of Authority employees compensated in the last pay period of the Authority's fiscal year 2022:		397
The total number of independent contractors to whom nonemployee compensation was paid in the last month of the Authority's fiscal year 2022:		249
All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency for fiscal year 2022:		\$ 30,624,665
All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency for fiscal year 2022:		\$ 210,601,664
Each construction project with a total cost of at least \$65,000 approved by the Authority that was scheduled to begin on or after October 1 of the fiscal year 2022, together with the total expenditures for such project:		
Project	Budget	Expenditures
HHW Facility Ventilation upgrades	\$ 75,000	\$ 176,543
West Central County Transfer Station Hopper and Curb Repair	2,750,000	2,246,960
CCTS Tunnel Floors, Cubs and Drains Rehabilitation	1,150,000	298,450
Class I Cell 5-10 Final Closure	15,600,000	8,756,440
NCTS Switchgear Replacement	150,000	75,465
F4 F5 F6 Feeder Replacement	1,500,000	7,100
Administration Building Patio Area Renovation	470,000	363,898
SWCTS Tipping Floor Rehabilitation	417,000	390,109
SCTS Vegetation Ramp Area Rehabilitation	177,000	6,362
A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year 2021 being reported if the Authority amends a final adopted budget under Section 189.016(6), Florida Statutes:		See page 101

SOLID WASTE AUTHORITY OF PALM BEACH COUNTY, FLORIDA

OTHER INFORMATION - BUDGET VARIANCE REPORT

**For the Fiscal Year Ended September 30, 2022
Unaudited**

	Original (Final) Budget	Actual	Variance With Final Budget Positive (Negative)
Revenues			
Assessments	\$ 213,274,130	\$ 214,321,185	\$ 1,047,055
Tipping fees	42,224,977	57,158,116	14,933,139
Electric generation	40,124,843	55,317,955	15,193,112
Recycling income	10,175,141	18,461,053	8,285,912
Franchise fees	1,741,793	2,206,670	464,877
Interest and dividend income	250,000	3,163,737	2,913,737
Other Revenue	8,189,126	873,162	(7,315,964)
	<u>\$ 315,980,010</u>	<u>\$ 351,501,878</u>	<u>\$ 35,521,868</u>
Expenses			
Franchise hauler contract payments	\$ 53,531,658	\$ 52,647,615	\$ 884,043
Contract payments to plant operators	87,774,022	83,138,699	4,635,323
Personnel services	47,906,604	47,389,897	516,707
Landsite expenses	21,313,319	15,841,218	5,472,101
Contractual services	19,458,074	16,774,027	2,684,047
Repairs and maintenance	5,113,539	4,655,109	458,430
Interest expense	63,075,992	12,858,433	50,217,559
Other expenses	17,806,802	23,290,452	(5,483,650)
	<u>\$ 315,980,010</u>	<u>\$ 256,595,450</u>	<u>\$ 59,384,560</u>

**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, 2022, 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 7, 2023.

Report on 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 or significant deficiencies may exist that were not identified.

Report on 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 & Miner, P.A.

West Palm Beach, Florida
February 7, 2023



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, 2022, and have issued our report thereon dated February 7, 2023.

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 7, 2023, 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, 2022.

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 2022 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.

As required by Section 218.39(3)(c), Florida Statutes, and Section 10.554(1)(i)6, Rules of the Auditor General, the Authority reported the required information in the Other Information Section on pages 100 and 101.

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, 2022. 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 & Mimer, P.A.

West Palm Beach, Florida
February 7, 2023



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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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, 2022. 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 AICPA. 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 risks 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.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the examination engagement.

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, 2022.

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 7, 2023



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