Waste Management Enterprise Fund 2012 Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2012

Public Works and Waste Management Department

A Department of Miami-Dade County, Florida

MIAMI-DADE COUNTY

Comprehensive Annual Financial Report

For the Fiscal Year Ended September 30, 2012

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Public Works and Waste Management Department

A Department of Miami-Dade County, Florida

Prepared by the Accounting Division

MIAMI-DADE COUNTY

2012

All photographs of the restored wetland areas displayed in this document were contributed by German Hernandez. Mr. Hernandez is Waste Management's Environmental Affairs Manager. Photography is his hobby. The restored wetlands fauna are often times the subject of his photographs.

The Department thanks Mr. Hernandez for this beautiful collection.

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Front Cover
Gulf Fritillary (Agraulis vanillae) butterfly, perched on Blue Porterweed (Stachytarpheta jamaicencis) in the restored wetland area at the South Dade Landfill.

Introductory Section

(UNAUDITED)

MIAMI-DADE COUNTY

Carlos A. Gimenez
Mayor

BOARD OF COUNTY COMMISSIONERS

Rebeca Sosa
Chairman

Lynda Bell
Vice Chairperson

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District 1

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District 10

Juan C. Zapata
District 11

José “Pepe” Díaz
District 12

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District 13

Harvey Ruvin
Clerk of Courts

Carlos Lopez-Cantera
Property Appraiser

Robert A. Cuevas Jr.
County Attorney

Miami-Dade County provides equal access and equal opportunity in employment and services and does not discriminate on the basis of disability.

It is the policy of Miami-Dade County to comply with all of the requirements of the Americans with Disabilities Act.

Public Works and Waste Management
2525 NW 62nd Street • 5th Floor
Miami, Florida 33147
T 305-514-6666

miamidade.gov

March 1, 2013

Honorable Carlos A. Gimenez
Mayor

The Honorable Chairperson and Members
Board of County Commissioners

Ms. Alina T. Hudak
Deputy Mayor/County Manager

Mr. Harvey Ruvin, Clerk
Board of County Commissioners
Miami-Dade County, Florida

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (the "Report") from the Waste Management Enterprise Fund ("Waste Management"/"WM") of Miami Dade County's Public Works and Waste Management Department (the "Department"/"PWWM") for the fiscal years ended September 30, 2012 and 2011 is hereby submitted. In this Report, references to the Public Works and Waste Management Department, "PWWM", the "Department", Waste Management and "WM" represent the activities of the Waste Management Enterprise Fund only. This report is published in accordance with Florida Statutes and the resolution covering the issuance of indebtedness by the Department's Waste Management Enterprise Fund. Pursuant to those requirements, we have issued this Report of WM presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America (GAAS) by a firm of licensed certified public accountants.

This report consists of Management's representations concerning the finances of the Department's Waste Management Enterprise Fund. Consequently, management assumes full responsibility for the completeness and reliability of all the information presented in this report. To provide a reasonable basis for making these representations, the Department's management has established a comprehensive internal control framework that is designed both to protect the Department's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Department's financial statements in conformity with GAAP. Because the cost of internal controls should not exceed their benefits, the Department's comprehensive framework of internal controls has been designed to pro-

vide reasonable, rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

Waste Management's financial statements have been audited by McGladrey LLP Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of WM for the fiscal years ended September 30, 2012 and 2011, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. The independent auditors concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Waste Management Enterprise Fund's financial statements for the fiscal year ended September 30, 2012 are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this Report.

The independent audit of the financial statements of WM was part of a broader, federally-mandated Single Audit of Miami-Dade County, Florida (the "County"/ "Miami-Dade") designed to meet the special needs of federal grantor agencies. The Standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in Miami-Dade County's separately issued Single Audit Report.

This letter of transmittal is designed to complement the Management's Discussion and Analysis (MD&A) and should be read in conjunction with it. The Department's MD&A can be found immediately following the report of the independent auditors in the Financial Section.

Profile of the Waste Management Enterprise Fund

The Merger and Waste Management Enterprise Fund

On September 22, 2011, the Miami-Dade County Board of County Commissioners approved the County's fiscal year 2012 budget. This budget introduced a plan to reduce the number of county departments from 42 to 25, in an effort to build a more efficient County government to better serve taxpayers. The merger of Solid Waste and Public Works was considered an area where consolidation should bring savings to the County. Elimination of administrative duplication supporting the operational units within each, the Public Works Department and the Solid Waste Management Department, would translate to more resources being funneled to core missions and direct services. Other governmental jurisdictions have successfully combined these functions. The County's evaluation of these two departments' functions revealed opportunities that lent themselves to this grouping. As a result, the Department of Solid Waste Management and the Public Works Department commenced to merge their activities on October 1, 2011, as the Public Works and Waste Management Department.

Since the merger, the activities of the former Miami-Dade County Department of Solid Waste Management have continued as part of the Waste Management Enterprise Fund. Waste Management's principal responsibilities may be categorized as: (1) collection, (2) transfer, (3) disposal and (4) recycling of municipal solid waste.

WM Collection primarily provides solid waste services to single-family residential units and a small number of commercial and multi-family accounts in the unincorporated portions of the County and eight municipalities including: City of Aventura, City of Doral, City of Miami Gardens, City of Sunny Isles Beach, Town of Cutler Bay, Town of Miami Lakes, Village of Palmetto Bay and Village of Pinecrest. The Department has entered into long-term interlocal agreements with 18 municipalities to provide solid waste disposal services and 12 municipalities for curbside recycling. In fiscal year 2012, the Department received waste from 20 of the 35 municipalities in the County.

The Department is responsible for the operation of a variety of facilities, including Resources Recovery (waste-to-energy facility), landfills, transfer stations and Neighborhood Trash and Recycling Centers (T&R Centers). The Department is also responsible for meeting the State's countywide environmental compliance objectives, such as the State's waste recycling goal of 75 percent by 2020.

The System

The System comprises: (a) all property, real and personal now or in the future owned, leased (as lessor or lessee), operated or used by the County in providing the services of collecting, transferring, disposing and recycling of solid waste. This property includes the County's solid waste collection, transfer, disposal and recycling facilities and all improvements, including all buildings, fixtures, equipment, and (b) contracts entered into by the County for the collection, transfer, disposal and recycling of solid waste.

The System does not include, at the option of the County, any solid waste system facility or equipment which may be acquired by the County subsequent to the date of the Original Ordinance and designated by the County as a "Separate System" on or prior to the date of acquisition.

The Department's Disposal and Collection Activities

Financial information for the disposal and collection activities is included in this report under Supplementary Financial Information. Because the Waste System includes all properties, operations and obligations of the Department, the Management's Discussion and Analysis is presented for the System as a whole.

Operations, Facilities and Regulatory Responsibilities

Operations

The residential garbage collection program provides twice-weekly garbage collection for residential units in unincorporated Miami-Dade County and eight municipalities including: City of Aventura, City of Doral, City of Miami Gardens, City of Sunny Isles Beach, Town of Cutler Bay, Town of Miami Lakes, Village of Palmetto Bay, and Village of Pinecrest. With the exception of Aventura, the Department's express authority to collect waste in these municipalities is provided by County Ordinance 96-30.

The Department provides three types of residential waste collection service (1) Automated container service, (2) Manual container service and (3) Dumpster service. The automated container service utilizes a Department provided waste cart that works with the automated waste collection vehicle. Residents with automated service may purchase additional waste carts or request smaller containers for their use. All materials must be placed inside the containers and the lids must be closed in order to be serviced by the automated waste collection vehicle. The manual service provides for uncontainerized set-out of bags or containers of waste and bundled tree limbs up to four (4) feet in length; no single item over 50 pounds. The dumpster service is utilized in multi-unit settings, such as townhomes.

The Department's residential waste collection service also includes access to any of the 13 T&R Centers located throughout the unincorporated portion of the County. On an annual basis, residents can also request two bulky waste pickups of up to 25 cubic yards each or one combined pick-up of 50 cubic yards.

The Department's highly successful residential curbside recycling program continues to provide every-other-week single-stream collection service. Residents place all recyclable materials (both fiber and rigid containers) in one wheeled cart. This program serves more than 350,000 households which include the unincorporated area, the eight cities in the Waste Collection Service Area (the City of Sweetwater elected to leave the program) and 12 municipalities (serviced through interlocal agreements).

Annual tons collected through this program continue to increase slightly over previous fiscal years. During fiscal year 2012, residents recycled approximately 63,000 tons of material.

This activity reflects the costs of the recycling program including the acquisition cost of recycling carts, if any, and other costs such as collection (payment to contractors), administration, public education and promotional efforts. In addition to the annual calendar mailing and ongoing recycling education activities conducted in fiscal year 2012, the Department continued to work with the Office of Sustainability, participating in "Home Energy Savings Workshops" presenting information on recycling and waste reduction.

The Department provides two types of commercial waste collection service, (1) Commercial minimum collection service and (2) Commercial container service. The commercial minimum collection service includes two pick-ups per week, limited to one (1) 96 gal waste cart per waste unit charged. The commercial container service provides for dumpster service with a varying number of pick-up and container size options.

The Department is responsible for operation and management of the County-owned solid waste disposal facilities with the exception of the Resources Recovery Facility, which is operated under a long-term agreement with Covanta Dade Renewable Energy Ltd.

A portion of the solid waste generated in the County is delivered to the County's transfer stations by the Department and municipal and private collection vehicles, where it is reloaded into large transfer trailers for transportation to one of the County's three disposal sites or contracted private disposal facilities. The transfer stations were designed to serve several purposes within the overall System.

These include the following:

- Reduce travel distance and transport time for waste collection vehicles.
- Reduce waiting time and traffic congestion at the Department's disposal facilities.
- Allow for system operating flexibility by providing short-term storage capacity for solid waste prior to disposal.
- Enable the Department to comply with its various waste delivery obligations without directing municipal or private haulers to specific disposal facilities.

Effective, efficient, and consistent code enforcement is vital for Miami-Dade County's health, safety and welfare. The Public Works and Waste Management Department's Code Enforcement Division (Division) is comprised of waste enforcement officers and administrative and clerical support staff. The Division's responsibility is to enforce Chapter 15 of the Miami-Dade County Code (Code). Chapter 15 empowers the Division to regulate unauthorized disposal and collection of solid waste by residents, businesses and public entities, as well as ensure compliance with mandatory commercial and multi-family recycling requirements. Waste enforcement officers also serve a critical function in the Department's bulky waste collection service by determining whether waste piles on County rights-of-way are illegally dumped or properly scheduled for pick-up. Additionally, the Division is responsible for researching and processing liens for non-payment; providing payoffs for overdue waste service payments; and, issuing general hauler, landscaper, waste tire generator and waste tire transporter permits. The authority to issue uniform civil violation notices is contained in Chapter 8CC of the Code, which governs fee and fine schedules.

Waste enforcement officers are deployed in 35 zones throughout the waste collection service area. Each waste enforcement officer is cross trained to handle a variety of residential, commercial and waste disposal facility enforcement tasks.

Litter and illegal dumping are a growing concern along Miami-Dade County rights-of-way; therefore, the Department has taken the initiative to address both issues by forming a Community Service Program Partnership with other departments and agencies. This program is a diversion alternative for non-violent participants to convert fines and other

sanctions to hours worked involving litter pick-ups and pilot beautification projects.

Additionally, our Special Investigations Unit continues to detect and investigate illegal dumping, unauthorized waste diversion, cardboard theft and violations involving unpermitted or unauthorized haulers and facilities using surveillance and other specialized investigative techniques.

The Division plays a significant role in hurricane recovery efforts and any other significant occurrences. Following a storm event, waste enforcement officers play a key role in the training of monitors, hurricane debris identification, monitoring debris removal progress by contractors and responding to complaints. The Division is versed and experienced in working with FEMA to ensure that Federal procedures and directives are adhered to in accordance with established guidelines.

The Department is committed to pursuing cost-effective programs and activities that have positive environmental impacts related to the management of solid waste. A key component of the solid waste system is the Resources Recovery Facility (RRF), which provides safe, environmentally sound management of garbage and trash through both the production of renewable electricity for sale to the power grid and recovery of recyclable ferrous and non-ferrous metals.

The Florida Department of Environmental Protection (FDEP) regulates the environmental aspects of the RRF operation while the Florida Reliability Coordinating Council, Inc. (FRCC) regulates the technical aspects of power generation and the facility's interface with the Bulk Electric System or "power grid". Formal regulation of the RRF's electric production is a relatively new occurrence that resulted from the widespread blackouts in the Midwest and eastern portion of the United States in 2005. Those occurrences fostered amendments to the Federal Power Act, which authorized the Federal Energy Regulation Commission (FERC) to adopt new rules governing electric power generation, transmission, distribution and sale of electricity including that generated by a small power producer such as RRF. Small power producers such as RRF had previously been exempt from most of those regulations. The North American Electricity Reliability Corporation (NERC) and its eight subordinate, regional agencies are responsible for enforcing these standards. Since June 18, 2007, the RRF has had to comply with the NERC standards. The FRCC is the regional administrator governing activities in Miami-Dade County. It manages compliance with the standards through a variety of mechanisms including self-reporting, spot check audits and onsite audits.

During fiscal year 2012, there were no incidents at the RRF resulting in issuance of a Warning letter by the Florida Department of Environmental Protection (FDEP) and no alleged violations of National Electric Reliability Corporation (NERC) standards, which are administered by the FRCC. However, during the fiscal year there were two notable developments involving the FRCC. First, in mid-2012, FRCC notified Miami-Dade County and Covanta, the RRF Operator, that it would be conducting a routine onsite audit of the generator operator (Covanta) and the generator owner (Miami-Dade County) for compliance with its standards and regulations. The audit is scheduled for March 25th and 26th of 2013. Second, on September 4th of 2013, the RRF Operator and Miami-Dade County began the formal process of changing the designation of responsibility for compliance with the NERC standards. Under this process, Covanta, which operates the electric generator, will assume all the compliance and reporting responsibilities for both the generator owner and operator. This is known as a Joint Registrant Organization (JRO) and will be considered for approval by NERC during the 2013 fiscal year.

With respect to other Department facilities, there were no incidents resulting in enforcement actions by FDEP or other environmental regulatory agencies having jurisdiction over the Department's waste facilities during fiscal year 2012.

Significant environmental programs such as the operation of landfill gas control systems, groundwater remediation systems, groundwater monitoring, wetlands monitoring, exotics control, and maintenance of the restored coastal and freshwater wetlands associated with the South Dade Landfill, Old South Dade Landfill, 58th Street Landfill and the Resources Recovery Ashfill continued in fiscal year 2012.

The Department's waste reduction and recycling programs are designed to meet the requirements of the State of Florida's Energy, Climate Change and Economic Security Act of 2008 which established a new statewide recycling goal – reduce the disposal of recyclables by 75% by 2020. The Department continues to provide recycling programs that target all waste generators. The Department's waste reduction programs include programs for curbside recycling collection, home chemical collection, electronic recycling, and a recyclable materials procurement policy that requires all County Departments to use recycled and recyclable materials where feasible. Recycling highlights include the recycling of approximately 22,000 tons of aluminum, ferrous and non-ferrous metal recovered at the Resources Recovery Facility. Fiscal Year 2012 saw the largest number of tons ever collected in the residential recycling program. Approximately 63,000 tons of recyclable materials were collected in the single-stream program, using the blue wheeled recycling carts. The recycling stream was made up of approximately 38,100 tons of paper (including newspaper, cardboard, junk mail and cereal boxes) and approximately 24,900 tons of aluminum, glass, plastic, steel containers and other. This Fiscal Year residents were advised that it was now acceptable to replace the caps on plastic bottles in preparation for recycling. This new recycling action was headlined in the first issue of "a la Cart," the County's first recycling e-newsletter.

The Department's Home Chemical Collection (HC2) Centers are the only permanent centers in Miami-Dade County for residents to dispose of small quantities of chemical wastes typically generated by a household. These sites are dedicated to the collection of these wastes and are operated by trained personnel from the Department's Environmental Compliance Unit. The HC2 Centers can also be operated by trained personnel from the County's current home chemical waste disposal vendor, should the need arise. Materials received at the HC2 Centers are sorted according to their hazard category (flammability, toxicity, and corrosivity) and are then temporarily stored at the HC2 Centers prior to packaging, transport, and disposal by an appropriate hazardous waste disposal vendor contracted by Miami-Dade County.

During fiscal year 2012, at the HC2 Centers, Miami-Dade residents safely disposed of approximately 153,100 pounds of hazardous waste and approximately 297,000 pounds of latex paint. Residents also disposed of approximately 28,100 gallons of used oil by means of the Used Oil Collection sites at three different T&R Centers (Moody Drive, Golden Glades and Snapper Creek) and the two permanent HC2 Centers. Lastly, approximately 1,351,000 pounds of electronic waste, such as CPUs, computer monitors, TVs, et cetera (collectively termed "e-waste"), were recycled through a program conducted at eight T&R Centers, a drop off station at the City of Homestead Solid Waste Operations yard, and the permanent HC2 Centers.

The Department delivered trash to the County's Resources Recovery Facility to be converted into a marketable biomass fuel. The Recyclable Trash Improvement (RTI) plant has a capacity of 270,000 tons per year. This biomass fuel product is used to power the Okeelanta plant, a co-generation facility in the City of South Bay, Florida. Historically, biomass fuel has also been delivered to Ridge Energy in Auburndale, Florida. CEMEX, a cement production company located in Miami-Dade County, Florida accepted fuel for test burns as an alternate to pulverized coal to produce cement. It has approval from the local regulatory agency to use this as an alternate fuel. Additionally, CEMEX is funding a re-shredding of the biomass fuel at the RRF site to achieve a fuel particle size better suited to its operation. Titan, another cement plant, in Miami-Dade County has run trial burns of the fuel to evaluate the efficacy of the fuel and air emissions associated with its use. The annual amount of biomass fuel produced using the RTI system is contingent upon these facilities' operational patterns and demand for the fuel. The Resources Recovery Facility produced approximately 71,700 tons of biomass for export during fiscal year 2012.

Department Facilities

Disposal Facilities

The active elements of the solid waste disposal system are the following:

- Resources Recovery Facility owned by the County and operated under a Management Agreement with Covanta Dade Renewable Energy Ltd.
- South Dade Landfill, a Class I garbage landfill owned and operated by the County.
- North Dade Landfill, a Class III trash-only landfill owned and operated by the County.
- Ash Landfill owned and operated by the County and located at the Resources Recovery Facility for the final disposition of ash produced by the Resources Recovery process.
- Contract disposal capacity at the Waste Management Landfill located in the Town of Medley, Florida (the "Medley Landfill") or the Central Disposal Facility located in Pompano Beach, Florida (Broward County) owned and operated by Waste Management.

Landfills

The Department operates three landfills: the South Dade Landfill, the North Dade Landfill, and the Ash Landfill. The South Dade Landfill is permitted to accept garbage, trash and special wastes such as asbestos, sterile medical wastes, sewage sludge, shredded tires, pathological waste (dead animals), ash, and contaminated soil. The North Dade Landfill is permitted to accept only waste that is not expected to produce leachate which poses a threat to public health or the environment, such as trash, yard trash, shredded tires, and construction/demolition debris. The Ash Landfill, which is located at the Resources Recovery Facility, accepts the ash from this facility and some ash from the co-generation facility in the City of South Bay.

Transfer Facilities

The regional transfer facilities are an essential part of the County's integrated solid waste management system, increasing the efficiency of disposal of solid waste generated in the incorporated and unincorporated areas of the County.

The County operates three regional transfer stations: (1) the Northeast Transfer Station, located at 18701 N.E. 6th Avenue west of North Miami Beach; (2) the West Transfer Station, located at 2900 S.W. 72nd Avenue; and (3) the Central Transfer Station, located at 1150 N.W. 20th Street, Miami, Florida. The transfer stations are strategically located throughout the County and are referred to by location as the Northeast Transfer Station, West Transfer Station, and Central Transfer Station.

In addition to the three regional transfer stations, the Department has ongoing transfer operations at the Resources Recovery Facility, the South Dade Landfill and the North Dade Landfill for the transport of waste and waste derived by-products, such as yard trash, tires, rejects, non-processables, process unders, etc., between facilities.

Waste Collection Facilities

Thirteen T&R Centers provide authorized customers access for residential bulky waste drop-off, while the other collection facilities provide for daily coordination of garbage and trash collection route assignments throughout the waste collection service area. The collection facilities are integral to ensuring the deployment of waste collection vehicles.

T&R Centers

- North Dade - 21500 NW 47 Avenue
- Norwood - 19901 NW 7 Avenue
- Palm Springs North - 7870 NW 178 Street
- West Little River - 1830 NW 79 Street
- Golden Glades - 140 NW 160 Street
- Sunset Kendall - 8000 SW 107 Avenue
- Snapper Creek - 2200 SW 117 Avenue
- Richmond Heights - 14050 Boggs Drive
- Chapman Field - 13600 SW 60 Avenue


060971
060990
Delivering Excellence EveryDay
50925
MIAMI-DADE
COUNTY
50577
MIAMI-DADE
COUNTY

- Eureka Drive - 9401 SW 184 Street
- West Perrine - 16651 SW 107 Ave
- Moody Drive - 12970 SW 268 Street
- South Miami Heights - 20800 SW 117 Court

Home Chemical Sites
- Home Chemical Collection Facility – North
  8831 NW 58 Street
- Home Chemical Collection Facility – South
  23707 SW 97 Avenue

Collection Vehicle Staging Sites
- 3A Facility – Collection Vehicles Facility
  18701 NE 6 Avenue
- 3B Facility – Collection Vehicles Facility
  8000 SW 107 Avenue
- 58th Street Facility – Collection Vehicles Facility
  8831 NW 58 Street
- South Dade Landfill – Also a Collection Vehicles Facility
  24000 SW 97 Avenue (For 19 crews servicing Area 7 in the extreme south portion of the County).

Regulatory Responsibilities

In accordance with the 1985 State of Florida Growth Management Act, the Department must plan for providing a specific level of solid waste service, a process generally referred to as "concurrency." Under the 1988 State of Florida Solid Waste Management Act, as amended, and certain provisions of the Florida Administrative Code, the Department is responsible for planning to ensure that disposal needs are met in both the incorporated and the unincorporated areas of the County. The County's System, which includes County-owned waste disposal facilities and those operated under contract with the County for disposal, must collectively maintain a solid waste disposal capacity sufficient to accommodate waste flows committed to the System through long-term interlocal agreements or contracts with municipalities and private waste haulers, and anticipated non-committed waste flows, for a minimum of five (5) years.

The County is required by USEPA and FDEP to close and perform post closure care for its landfills in compliance with current regulations. Along with stringent regulations for "capping" and closing landfills, post closure care of a site is mandated for 30 years after the closure is accepted by USEPA and FDEP.

Currently, the County is constructing landfill cells for additional disposal capacity. Two such projects are underway. They are construction of Cell 5 at the South Dade Landfill and construction of Cell 20 at the Resources Recovery Landfill. The earthwork for the base grade was completed for Cell 5. The next phase of construction is for the liner, drainage layer and embankments of the landfill cell and will be awarded via an Open Competitive Bid in fiscal year 2013. Construction of Cell 20 has been awarded to Comanco Environmental Corp. Completion of this cell is projected for late fiscal year 2013. During fiscal year 2012, the Department made timely submittal of the required monitoring reports to the local and state environmental regulatory agencies. Additionally, the newly required greenhouse gas inventory was transmitted to the USEPA by the established deadline. Environmental remediation programs for closed landfills continued in accordance with the requirements.

Budgetary Control

In accordance with the State of Florida Statutes the County prepares, approves, adopts and executes an annual budget for such funds as may be required by law or by sound financial practices. The Board of County Commissioners approves the Department's annual budget for current expenses and capital outlays. The budgets are adopted on a basis consistent with GAAP except no amounts are provided for depreciation, amortization and depletion. Budgets are monitored at various levels of classification details within the Department. Expenses at the fund level may not legally exceed the budgeted appropriation.

Factors Affecting Financial Condition

Local Economy

One year ago, in the year-end outlook for the local economy, it was anticipated that fiscal year 2012 would be similar to the growth experienced in 2011,

continuing on a slow recovery path with low to moderate job creation for Miami-Dade County and its most vital industries. That outlook turned out to be a reasonably accurate assessment of the past year as most indicators improved including employment, although it remained weak.

Fiscal year 2012 saw the various economic indicators improve at the national level from the previous year. Real gross domestic product (GDP) increased at an annual rate of 2.3 percent and inflation was 1.6 percent. Average annual unemployment rates decreased from 9.7 percent in fiscal year 2011 to 8.5 percent for the current year. This latter measure has led to a better year than expected. A major part of Miami-Dade's economic strength comes from the two engines driving its economy: the visitor industry and domestic and international trade and commerce. During the last twelve months, visitations and volume of trade continued to advance steadily. Improving economic conditions, not only in the U.S., but also in the Latin America and Caribbean region, coupled with the region's strong trade and financial linkages with the Miami-Dade area, have contributed to the growth in visitors and the volume of merchandise trade.

In fiscal year 2012, nonagricultural wage and salary employment (annual average) recorded an overall gain of approximately 17,400 jobs. This was up by almost two percent, to put total employment at 1,013,383 according to the Florida Department of Economic Opportunity. While overall job growth has been modest, it is nonetheless viewed as favorable, thus making fiscal year 2012 a year of recovery. Despite a limited gain in the size of the labor force, the unemployment rate noticeably decreased. The average annual unemployment rate for the year stood at 9.7 percent, compared to 11.9 percent a year earlier. Moreover, unemployment rates have steadily decreased over the year from 10.8 percent to 8.8 percent. By individual sector, most were contributors to employment growth. The gains accrued mostly in the Service providing industries. The top two sectors that gained jobs were *Retail*, and *Professional and Business Services* registering gains of 9,600 and 3,900 jobs respectively. All remaining sectors in the Service-providing group reported good to modest advances during the last year. In contrast, employment in the Goods Producing Industries decreased as *Construction* employment dipped by 10.6 percent. This sector lost 3,300 jobs reflecting the continued weakness in construction work related to the development of new housing units.

Traditionally, the real estate sector in Miami-Dade County is viewed as one of the important measures of the County's economic health. In fiscal year 2012, the performance of the real estate market was better than the previous year, especially in terms of home sales. For the fourth year in a row, the residential portion of the market recorded an increase in sales, although existing home prices have remained soft. At the same time, the number of foreclosure filings increased by almost 11,000. On the commercial/industrial front, there were signs of recovery showing some improvements over the previous year.

With regard to the development side of the real estate market, data points to some positive indicators. Although the number of building permits issued in fiscal year 2012 was less than half of the corresponding number in the previous year, residential permits in valuation terms markedly increased by 36 percent reaching a total of $466 million. However, such was not the case with the commercial/industrial components of the real estate market. During fiscal year 2012, there were significant improvements from the decline of the previous year. Construction activity in commercial developments, as measured by the amount of square footage of office and retail space under construction, increase by 39.1 percent from the level recorded in the prior year. Retail space under construction was responsible for this improvement, while office development continued to lag. Industrial space under construction showed improvement for the first time in three years.

Market performance in commercial/industrial real estate in fiscal year 2012 has definitely shown improvement from the previous year. Office vacancy rates showed modest advance as it declined from 14.7 percent in fiscal year 2011 to 14.1 percent for the current, while the vacancy rate for industrial space declined by 12.4 percent.

Miami-Dade's commercial and industrial real estate market continues to remain well positioned for long-term growth supported by the continuing growth in population and the strength of the local economy in international trade and commerce. Oversupply of office space exists in the market. Therefore, it will take some time for demand to catch up. The continued improvement of the job market, especially in those sectors that need office space, and the high volumes of trade would be helpful in the absorption of this type of space. For the year ahead, the outlook for the commercial/industrial market is one of optimism for continued improvements in both demand and value terms, particularly for the industrial and retail components.

Economic activity, as measured by taxable sales, has shown some strength during the past year. Total taxable sales rose by 7.6 percent to about $40.5 billion, with retail sales alone up by 8.2 percent (without considering price inflation). Miami-Dade County fared better than the State in relative taxable sales, with a 7.6 percent increase versus a 5.9 percent increase for the State.

In fiscal year 2012, there was an across-the-board increase in taxes for all major categories from the previous year. *Auto and Accessories* and *Tourism and Recreation* led the way in the retail sales category posting 11.1 percent and 10.2 percent increases, respectively. This performance was reflected in the Miami-Dade's broad market indicator, the Index of Retail Activity, which increased by 8.2 percent during the same period. Similarly, the same index, at the State level, displayed a gain of 6.5 percent.

One of the best indicators of Miami-Dade's economic performance during the fiscal year was in the area of international trade and commerce. International trade activity continued to advance, posting sizable gains in both exports and imports throughout 2012. The picture presented by this performance displays the area's strategic position to produce higher volumes of trade-related services relative to most trading hubs; in fact, the Miami Customs District (that includes an area broader than Miami-Dade) is ranked 11th among the nation's top 20 Customs Districts. Merchandise trade passing through the Miami Customs District totaled $115.6 billion, the highest ever. This represents a 10.5 percent increase in total trade, although lower than the very large increase of 19.6 percent in the previous year.

After a year in which the visitor industry achieved almost full recovery from the effects of the recession, tourism activity continued to reach high levels in 2012 as measured by the number of visitors. Exhibiting signs of strength, visitors to the Miami area increased about 4.6 percent in 2012 compared to a somewhat larger gain of 6.8 percent in the previous year. In total, there were 13.9 million overnight visitors over this past year up from 13.4 million recorded in 2011. Both domestic and international visitors contributed to this overall improvement.

Along with the higher number of visitors, hotel booking activity registered improvements as hotel occupancy rates increased on a year-round basis moving in the same direction as a year ago. In 2012, hotel occupancy rate increased 74.5 percent to 76.2 percent. The higher occupancy rates are most likely due to the improved economic situation, which contributed to more overnight visitors to Miami. The increase in demand came along with an increase of 7.7 percent in the average of hotel room rate reaching $159.33. This figure now surpasses pre-recession levels and is expected to rise modestly in the next year.

After a year of continuing gains, although modest ones, the economic outlook for the County in fiscal year 2013 should show similar growth rates.

This moderately optimistic outlook for the Miami-Dade's economy is based on the performance of our international sector, including trade and tourism.

These sectors will continue to be the County's primary engines of economic growth, fueling both future employment and income growth. Activity levels in these two sectors are expected to continue to grow at a moderate rate. Their expansion will likely strengthen other components of the economy. This is predicated on the economic health of our major trade partners and origin of tourists. This appears justified as Latin America is predicted to have an expansion of domestic product of almost 4 percent for the coming year. Europe is in a weaker situation with growth in domestic product forecast to be less than the U.S. by under 2 percent.

Overall, fiscal year 2013 is expected to experience the same trends that have defined the local economy for much of the last fiscal year continuing on a slow recovery path with moderate job creation. On the plus side, the U.S. economy continues to fare reasonably well compared to other developed economies. At this time, there is risk to the outlook emanating from outside the U.S., in particular from Europe. However, at this point there are no negative signs that would indicate a slowdown due to this risk is likely to appreciably impact the U.S. economic environment.

There are some positive factors that allow the economy to move forward without serious interruption. One positive factor is that inflationary pressures have continued to remain low. An additional support to the economy is that the Federal Reserve has maintained interest rates near zero and appears ready to take action to stimulate growth as they deem necessary.

There are a number of other and substantial factors that are a threat to the continued moderate growth of the economy. Chief among these is the uncertainty that remains over fiscal policy at the national level. Although issues over increased tax rates have been resolved, contained within the legislation is the expiration of the reduction in payroll taxes. This will result in a reduction of current wage income and hence consumer demand. Further, there will be clashes over future expenses, particularly in regard to entitlement programs. In addition, questions remain regarding extension of unemployment benefits. The resolution of these matters remains uncertain and therefore the impact on the economy, which is still in a weak recovery mode, is unknown at time.

In addition, the European debt crisis, and Middle East strife create uncertainties regarding the outlook. Further questions remain regarding the housing market with prices are still depressed despite the gain over the past year. Should any of these factors led to a slowdown at the national level, they will undoubtedly filter down to the Miami-Dade economy.

For the upcoming fiscal year, signs are present in the current economic environment which point to a year of modest gains in payroll employment, and some continued progress on reducing unemployment. Weighing all the likely developments in major areas of the economy leads to a forecast for fiscal year 2013 that is likely to be similar to the previous one. There is expected to be continued improvements on the economic front at modest growth rates, the degree of improvement will be a function of growth in the trade and tourism sectors. A smaller decline in the unemployment rate than that experienced this year is likely to occur in fiscal year 2013. The unemployment rate is expected to decline more slowly.

The Miami-Dade economy appears poised to continue its recovery through 2013 with slow but positive growth. This is based on expected strong performance in the transportation and merchandise trade sectors, its strength in the tourism industry, and its large and growing population base. The growth experienced in fiscal year 2012 is expected to continue and possibly improve upon the progress made during the past year.

For fiscal year 2013, the Department projects a marginal decrease in the Collections Fund revenues due to net flat customer growth (minimal growth offset by the mid-2012 departure of the City of Sweetwater from the Department's Waste Collection Service Area) and limited signs of improvement in the local housing market. The Waste Collection Operation's continual challenge is to deliver excellent customer service to our customers with reduced revenues. Therefore, the Department continues to monitor expenses and search out and implement operating efficiencies in order to sustain the Collection Operations for another fiscal year.

The Disposal fund has, in the recent past, also faced revenue challenges, due primarily to the continued low volume of full fee revenue tons. Offsetting these nearly flat tonnage numbers in fiscal year 2013 the Department is projecting a nominal increase in revenues, due in part to the application of a Consumer Price Index (CPI) increase of 1.7% CPI South All Urban Consumers, to contracts and interlocal agreements as of October 1, 2012. As a result, the Department is anticipating that the Disposal fund, while continuing to face financial challenges over the long term time horizon, will experience improved conditions in the upcoming year.

Long-term Financial Planning

The PWWM continues to maintain long-term financing for the construction and acquisition of long-term solid waste system assets. The fiscal year 2013 Adopted Capital Budget and Multi-Year Capital Improvement Plan includes programmed costs for fiscal year 2013 and the next five fiscal years through fiscal year 2018 totaling $117.169 million. These projects include approximately $58.323 million in groundwater remediation, closure and other environmental improvement projects at the Department's facilities, $13.525 million in other collection and disposal facility improvements, which include landfill cell construction and transfer station improvements and approximately $45.321 million for the Virginia Key municipal landfill closure grant project. These projects will be funded with both operating funds and debt proceeds as budgeted.

Major capital projects programmed to commence or continue in fiscal year 2013 include:

- Construction to complete the Resource Recovery Ashfill Cell No. 20
- Completion of the construction of the 58th Street Truckwash
- Continue the construction of the South Dade Landfill Cell No. 5
- Continue the construction of the new Central Transfer Station Scale House

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Department of Solid Waste Management (as the Department was known as in fiscal year 2011), a Department of Miami-Dade County, Florida, for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2011. This was the eighteenth consecutive year that the Department has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The Department was the winner of three prestigious *2012 Achievement Awards* from the *National Association of Counties (NACo) for the Department's Neighborhood Enhancement Action Teams (NEAT); the Trash and Recycling Center Access Management System; and the Compressed Gas Vessel Recovery, Processing and Recycling Program.*

The Department Director Kathleen Woods-Richardson was the recipient of the *Mayor's Pioneer Award at the 25th Annual In the Company of Women Awards Celebration sponsored by the Miami-Dade County*

Parks, Recreation and Open Spaces Department and the Miami-Dade County Commission for Women. Director Woods-Richardson was recognized for having exemplified professional development, community responsibility, leadership and vision, contribution to women's progress and promotion of pluralism throughout her personal and professional life.

Mr. Daniel Diaz, the Department's Division Director for Fleet Management was named Fleet Manager of the Year for the Public Sector by *Waste and Recycling News Magazine*, for his main accomplishment of implementing the garbage hybrid vehicle program.

Acknowledgements

This report could not have been prepared on a timely basis without the efficiency and dedication of the Department's Accounting staff. We are grateful to all Department employees who assisted and contributed to its preparation. We thank the County's Finance Department for their assistance and support. We would also wish to thank the Mayor, the Miami-Dade County Commissioners and the County Manager for their continued support in enabling the Department to fulfill its role in delivering a highly efficient and effective countywide integrated solid waste service to the community.

Respectfully submitted,

Kathleen Woods-Richardson
Director

Aneisha Daniel
Assistant Director – Fiscal and Internal Services

Paul Mauriello, AICP
Assistant Director for Waste Operations

Maria Sanchez, CPA
Controller

Christopher Rose
Assistant Director – Administration

Certificate of Achievement for Excellence in Financial Reporting

Presented to

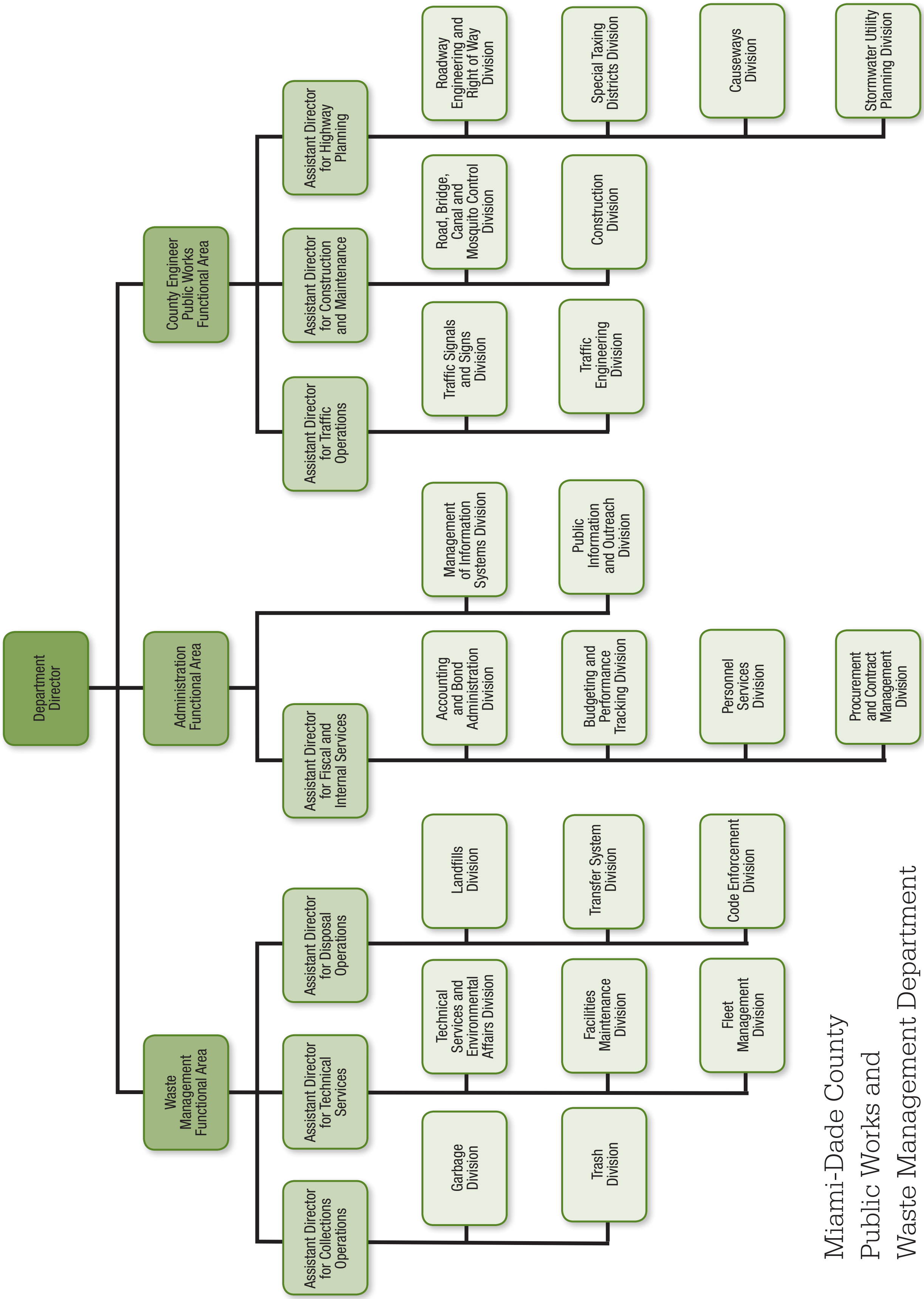
Department of Solid Waste Management, A Department of Miami-Dade County, Florida

For its Comprehensive Annual Financial Report for the Fiscal Year Ended September 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director



Miami-Dade County Public Works and Waste Management Department Table of Organization: FY 2012

Financial Section

McGladrey LLP

McGladrey

Independent Auditor's Report

The Honorable Mayor and Chairperson and
Members of the Board of County Commissioners
Miami-Dade County, Florida

We have audited the accompanying financial statements of the Waste Management Enterprise Fund of the Public Works and Waste Management Department ("Waste Management"), an enterprise fund of Miami-Dade County, Florida, as of and for the years ended September 30, 2012 and 2011, as listed in the table of contents. These financial statements are the responsibility of the Waste Management's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Waste Management's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinions.

As discussed in note 1, the financial statements present only Waste Management and do not purport to, and do not, present fairly the financial position of Miami-Dade County, Florida, as of September 30, 2012 and 2011, the changes in its financial position, or where applicable, its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to previously present fairly, in all material respects, the financial position of the Waste Management Enterprise Fund of the Public Works and Waste Management Department, an enterprise fund of Miami-Dade County, Florida, as of September 30, 2012 and 2011, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated March 1, 2013 and February 24, 2012 on our consideration of the Waste Management's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of those reports is 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 internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the schedule of funding progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audits 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.

Our audits were conducted for the purpose of forming opinions on the financial statements that collectively comprise Waste Management's basic financial statements. The accompanying introductory section, supplementary financial section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The information in the supplementary financial section has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audits of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

McGladrey LLP

Miami, Florida
March 1, 2013

Management's Discussion and Analysis (Unaudited)

The Waste Management Enterprise Fund ("Waste Management"/"WM") of Miami-Dade County's Public Works and Waste Management Department (the "Department"/"PWWM") presents the following Management's Discussion and Analysis (MD&A). References herein to the Public Works and Waste Management Department, "PWWM", the "Department", and Waste Management ("WM") represent the activities of the Waste Management Enterprise Fund only. Our discussion of WM's financial performance provides an overview of the financial activities for the fiscal years ended September 30, 2012 and 2011. The information presented in this MD&A should be considered in conjunction with the information furnished in the Letter of Transmittal included in the Introductory Section, WM's financial statements in this section and the various summaries of activities and financial performance included in the Supplemental Schedules (supplementary financial information) and the Statistical Section of this report.

Highlights

Financial Highlights

Fiscal Year 2012

- At September 30, 2012, the assets of the Department exceeded its liabilities by $196.5 million ("net assets") as compared to $190.1 million at September 30, 2011. Of the total $196.5 million in net assets as of September 30, 2012, $38.4 million was invested in capital assets, net of related debt; $81.7 million was restricted for debt service, groundwater protection and reserves; the remaining balance of $76.4 million represented unrestricted net assets.

- Total net assets increased by $6.4 million, reflecting total revenues in excess of total expenses for the fiscal year ended September 30, 2012.

- For the fiscal year ended September 30, 2012, the Department's operating revenues decreased by $800 thousand.

- For the fiscal year ended September 30, 2012:
  - — Operating expenses before depreciation and closure and postclosure care costs for the inactive landfills increased $3 million.
  - — Depreciation expense decreased $3.7 million.
  - — Closure and postclosure care costs for inactive landfills decreased $3.9 million.
  - — Non-operating expenses net of non-operating income increased $6.2 million.
  - — There was no transfer out during fiscal year 2012. Therefore, transfers out decreased by $2.3 million.

- The Department's bonds and loans payable decreased by $14 million during the fiscal year ended September 30, 2012.

Fiscal Year 2011

- At September 30, 2011, the assets of the Department exceeded its liabilities by $190.1 million ("net assets") as compared to $183.7 million at September 30, 2010. Of the total $190.1 million in net assets as of September 30, 2011, $55.2 million was invested in capital assets, net of related debt; $84.1 million was restricted for debt service, groundwater protection and reserves; the remaining balance of $50.8 million represented unrestricted net assets.

- Total net assets increased by $6.4 million, reflecting total revenues in excess of total expenses for the fiscal year ended September 30, 2011.

- For the fiscal year ended September 30, 2011, the Department's operating revenues decreased by $2.1 million.

- For the fiscal year ended September 30, 2011:
  - — Operating expenses before depreciation and closure and postclosure care costs for the inactive landfills increased $8 million.
  - — Depreciation expense decreased $3 million.
  - — Closure and postclosure care costs for inactive landfills increased $2 million.
  - — Non-operating expenses net of non-operating income increased $198 thousand.
  - — There was a $2.3 million transfer out during fiscal year 2011. Therefore, transfers out increased by $2.3 million.

- The Department's bonds and loans payable decreased by $15.9 million during the fiscal year ended September 30, 2011.

Waste Management Enterprise Fund's Highlights

Fiscal Year 2012

- During the fiscal year ended September 30, 2012, the Department serviced approximately 324,000 residential units, approximately 3,700 household/commercial accounts and approximately 1,000 commercial accounts. This represents an overall decrease of 0.27% over the fiscal year ended September 30, 2011.

- The annual fee for curbside collection remained at $439 per household in fiscal year 2012.

- During fiscal year ended September 30, 2012, disposal equivalent revenue tons totaled approximately 1.509 million tons, a 0.20% decrease when compared to the fiscal year ended September 30, 2011.

- The disposal contract tipping fee was $62.59 per ton during the fiscal year ended September 30, 2012, an increase of 3.8% over the fiscal year ended September 30, 2011.

- The Department contributed $5 million to capital projects during fiscal year 2012.

Fiscal Year 2011

- During the fiscal year ended September 30, 2011, the Department serviced approximately 325,000 residential units, approximately 3,600 household/commercial accounts and approximately 1,000 commercial accounts. This represents an overall increase of 0.24% over the fiscal year ended September 30, 2010.

- The annual fee for curbside collection remained at $439 per household in fiscal year 2011.

- During fiscal year ended September 30, 2011, disposal equivalent revenue tons totaled approximately 1.512 million tons, a 3% decrease when compared to the fiscal year ended September 30, 2010.

- The disposal contract tipping fee was $60.30 per ton during the fiscal year ended September 30, 2011, an increase of 0.9% over the fiscal year ended September 30, 2010.

- The Department contributed $4 million to capital projects during fiscal year 2011.

Overview of the Financial Statements

This discussion and analysis section is intended to serve as an introduction to the Department's financial statements with the notes thereto. The notes to the financial statements are essential for a full understanding of the information contained in the financial statements.

The Department's Financial Statements report information about the Department using accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about the Department's activities. These financial statements include the financial position, results of operations and cash flows of both the Disposal and Collection Systems. Supplemental financial data for each of these systems is provided elsewhere in this report.

The Statements of Net Assets include all of the Department's assets and liabilities providing information about the nature and amounts of resources (assets) and obligations to creditors (liabilities) with the difference between the two reported as net assets at September 30, 2012 and 2011, respectively. The increases and decreases in net assets may serve as a valuable indicator of whether the financial position of the Department is improving or deteriorating over time. These statements also provide the basis for assessing the liquidity and financial flexibility of the Department along with its capital structure.

All of the Department's revenues and expenses are reflected on the Statements of Revenues, Expenses and Changes in Fund Net Assets for the fiscal years ended September 30, 2012 and September 30, 2011, respectively. These statements measure the level of success by the Department's operations in fiscal years 2012 and 2011, respectively. These may be used to evaluate the Department's profitability and credit worthiness and to determine whether the Department has successfully recovered all its costs through its user fees and other charges.

The Department's Statements of Cash Flows provide information about the Department's cash receipts and cash disbursements during the fiscal years ended September 30, 2012 and 2011, respectively. These statements report sources, uses, and net changes in cash resulting from operating, investing, capital and non-capital financing activities.

Financial Analysis of the Department

As previously mentioned, the Statements of Net Assets and the Statements of Revenues, Expenses and Changes in Fund Net Assets reflect information about the Department's activities, which may serve as a useful indicator of whether the financial position of the Department is improving or deteriorating over time. These two set of statements report the net assets of the Department and changes in them. The difference between assets and liabilities is one way to measure financial health or financial position. Over time, increases or decreases in the Department's net assets are one indicator of whether its financial health is improving or deteriorating. In addition, consideration must be given to non-financial factors including but not limited to population growth, economic conditions, changes in regulatory requirements and legislation.

The analysis below focuses on the Department's net assets (Table I) at the end of the fiscal years 2012, 2011 and 2010 and changes in net assets (Table II) during the fiscal years 2012, 2011 and 2010.

The Department's assets exceeded liabilities by $196.5, $190.1 and $183.7 million at September 30, 2012, 2011 and 2010, respectively.

A summary of the Department's statements of net assets at September 30, (Table I) is shown below:

Table I

Net Assets

	At September 30,		
	2012	2011	2010
		(In thousands)	
ASSETS			
CURRENT ASSETS			
Total Unrestricted Assets	**$ 195,511**	$ 169,103	$ 160,072
Total Restricted Assets	**21,899**	22,083	23,083
Total Current Assets	**217,410**	191,186	183,155
NON-CURRENT ASSETS			
Total Unrestricted Assets	**603**	1,602	2,900
Total Restricted Assets	**115,728**	129,445	127,653
Total Capital Assets, net	**140,810**	159,768	180,608
Total Other Assets	**5,642**	6,355	7,822
Total Non-Current Assets	**262,783**	297,170	318,983
TOTAL ASSETS	**480,193**	488,356	502,138
LIABILITIES AND NET ASSETS			
CURRENT LIABILITIES			
Total Payable from Unrestricted Assets	**17,624**	18,137	23,961
Total Payable from Restricted Assets	**21,899**	22,083	23,083
Total Current Liabilities	**39,523**	40,220	47,044
LONG-TERM LIABILITIES			
Total Long-Term Liabilities	**244,163**	258,067	271,424
TOTAL LIABILITIES	**283,686**	298,287	318,468
NET ASSETS			
Investment in Capital Assets, net of Related Debt	**38,425**	55,208	60,846
Restricted	**81,709**	84,099	84,136
Unrestricted	**76,373**	50,762	38,688
TOTAL NET ASSETS	**$ 196,507**	$ 190,069	$ 183,670

Fiscal Year 2012

As of September 30, 2012, capital assets such as land, buildings, construction in progress, machinery and equipment (net of any debt outstanding used to acquire these assets) constituted 19.6% of the Department's net assets.

The Department uses these assets to provide services to customers; therefore, these assets are not available for future spending. It should be noted that while these capital assets are reported net of related debt, the resources required to repay this debt must be provided annually from operations, since it is unlikely the capital assets themselves will be liquidated to pay these liabilities. Total invested in capital assets, net of related debt decreased to $38.4 million at September 30, 2012, from $55.2 million at September 30, 2011. This decrease reflects the combined effects of capital assets deletions and deductions for the increase in accumulated depreciation, partially offset by capital assets additions, in addition to the decrease in unused debt proceeds, all partially offset by the decrease in the related debt. The related debt has been applied to the figures representing both invested in capital assets and restricted for (debt service and landfill closure grants). Additional information concerning the Department's capital assets and long-term debt can be found in Notes 3 and 4 to the financial statements.

An additional portion of the Department's net assets represents resources that are subject to external restrictions on how they may be used. Restricted net assets decreased $2.4 million from $84.1 million at September 30, 2011 to $81.7 million at September 30, 2012. This decrease reflects the combined effect of a lower balance in groundwater protection receivable, a lower operating reserve account balance and a lower debt service balance (the latter one, net of related debt). Additional information concerning the Department's restricted assets can be found in Note 5 to the financial statements.

The remaining balance of $76.4 million at September 30, 2012, is reported as unrestricted net assets. Unrestricted net assets generally represent balances, which may be used to meet the Department's obligations to customers, employees and creditors. This $76.4 million balance, at September 30, 2012, increased from $50.8 million at September 30, 2011, reflecting the benefits of higher balances in current unrestricted assets combined with lower balances in payables from unrestricted assets (current liabilities) and unrestricted long term liabilities (excluding bonds and notes payables) partially offset by lower balances in investment in derivative instruments and other assets (net of issuance costs). These balances in unrestricted net assets reflect the impact of the Department's ongoing recognition of the liability for closure and postclosure care costs totaling $94 and $95 million as of September 30, 2012 and 2011, respectively. Additional information concerning the Department's liability for closure and postclosure care costs can be found in Note 10 to the financial statements.

Fiscal Year 2011

As of September 30, 2011, capital assets such as land, buildings, construction in progress, machinery and equipment (net of any debt outstanding used to acquire these assets) constituted 29% of the Department's net assets.

The Department uses these assets to provide services to customers; therefore, these assets are not available for future spending. It should be noted that while these capital assets are reported net of related debt, the resources required to repay this debt must be provided annually from operations, since it is unlikely the capital assets themselves will be liquidated to pay these liabilities. Total invested in capital assets, net of related debt decreased to $55.2 million at September 30, 2011, from $60.9 million at September 30, 2010 (as restated in the fiscal year 2011 presentation). This decrease reflects the combined effects of capital assets deletions and deductions for the increase in accumulated depreciation, offset by capital assets additions, the decrease in the related debt and a minor increase in unused debt proceeds. In the fiscal year 2011 presentation, the related debt has been applied to the figures representing both invested in capital assets and restricted for (debt service and landfill closure grants). In presentations prior to fiscal year 2011, the related debt was applied in full to the invested in capital assets figure. This change has no impact on the total net assets figures. Additional information concerning the Department's capital assets and long-term debt can be found in Notes 3 and 4 to the financial statements.

An additional portion of the Department's net assets represents resources that are subject to external restrictions on how they may be used. Pursuant to the aforementioned change in presentation, total restricted net assets remained basically the same at $84.1 million at September 30, 2011 and at September 30, 2010 (as restated in this fiscal year 2011 presentation). While the combined total did not basically change, the components reflect higher groundwater protection receivable and operating reserve account balances offset by lower debt service balance (net of related debt). Additional information concerning the Department's restricted assets can be found in Note 5 to the financial statements.

The remaining balance of $50.8 million at September 30, 2011, is reported as unrestricted net assets. Unrestricted net assets generally represent balances, which may be used to meet the Department's obligations to customers, employees and creditors. This $50.8 million balance, at September 30, 2011, increased from $38.7 million at September 30, 2010, reflecting the benefits of higher balances in current unrestricted assets combined with lower balances in payables from unrestricted assets (current liabilities), partially offset by lower balances in investment in derivative instruments, other assets (net of issuance costs) and higher unrestricted long term liabilities (excluding bonds and notes payables). These balances in unrestricted net assets reflect the impact of the Department's ongoing recognition of the liability for closure and postclosure care costs totaling $95 million and $96 million as of September 30, 2011 and 2010, respectively. Additional information concerning the Department's liability for closure and postclosure care costs can be found in Note 10 to the financial statements.

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Changes in the Department's net assets can be established upon review of the summary of the Department's statements of revenues, expenses and changes in fund net assets for the fiscal years ended September 30, (Table II) shown below:

TABLE II

Changes In Fund Net Assets

	For Fiscal Years Ended September 30,		
	2012	2011	2010
		(In thousands)	
Operating revenues			
Solid waste disposal services	**$ 57,749**	$ 56,297	$ 57,102
Solid waste collection services	**141,983**	142,305	149,900
Utility service fees	**21,692**	22,500	20,650
Electricity sales	**30,703**	31,469	26,461
Other operating revenues	**14,030**	14,373	15,019
Total operating revenues	**266,157**	266,944	269,132
Interest income	**(206)**	139	1,504
Intergovernmental revenue	**–**	–	–
Other non-operating income, net	**–**	499	–
Contributions	**–**	–	–
Transfers In	**–**	–	–
Total Revenues	**265,951**	267,582	270,636
Operating expenses excluding depreciation and closure & postclosure care costs for inactive landfills	**223,085**	220,199	212,316
Depreciation	**22,991**	26,682	29,567
Closure & postclosure care costs (recovery) for inactive landfills	**(1,983)**	1,975	45
Interest expense	**8,810**	9,254	8,381
Closure grant	**5,477**	766	1,865
Other non-operating expenses, net	**1,133**	–	442
Transfers Out	**–**	2,307	–
Total Expenses	**259,513**	261,183	252,616
Changes in Fund Net Assets	**6,438**	6,399	18,020
Total Net Assets, beginning of the year	**190,069**	183,670	165,650
Total Net Assets, end of the year	**$ 196,507**	$ 190,069	$ 183,670

Total net assets increased by $6.4 million in each of fiscal years 2012 and 2011, respectively.

Historically, operating revenues generated by the System have included solid waste disposal services revenues, solid waste collection services revenues, utility service fees, electrical revenues from the Resources Recovery Facility and other operating revenues. Other Operating Revenues include disposal facility fees, office rental income, parking facilities revenue, code enforcement fines, permit fees, and other miscellaneous income.

Fiscal Year 2012

Operating revenues decreased from $266.9 million in fiscal year 2011 to $266.1 million in fiscal year 2012, as a result of lower Solid Waste Collection Services, Utility Service Fees, Electricity Sales and other operating revenues partially offset by higher Solid Waste Disposal Services revenues.

Disposal Services Revenues increased to $58 million in the fiscal year ended September 30, 2012, from $56 million in fiscal year 2011. This increase resulted from higher disposal tipping fees partially offset by slightly lower equivalent revenue tons. Disposal tipping fees are collected from all users of the County's solid waste disposal facilities. Disposal tipping fees increased from fiscal year 2011 to fiscal year 2012, as follows: From $60.30 per ton to $62.59 per ton for contractual customers; from $79.50 per ton to $82.52 per ton for non-contractual customers; and from $11.87 per ton to $12.32 per ton for the additional fee paid by those customers utilizing the Department's transfer stations. Equivalent revenue tons decreased to 1.509 tons in the fiscal year ended September 30, 2012, from 1.512 million tons in the fiscal year ended September 30, 2011.

Solid Waste Collection Services Revenues remained basically unchanged at approximately $142 million in fiscal year 2012 when compared to fiscal year 2011, reflecting a slight decrease (0.23%) of $322 thousand. This minor decrease in collection services revenues resulted from the departure by the City of Sweetwater from the Waste Collection System (effective March 1, 2012) combined with lower collections of the waste fees on the Property Tax Bill by the Property Tax Collector, partially offset by increases in other components of Waste Collection Revenues. Collection services revenues are derived primarily from the curbside collection of garbage and trash. Fees for collection services remained the same in fiscal year 2012 as compared to fiscal year 2011, as follows: $439 per household for residential curbside collection, $339 per unit for residential container service and the rollaway service ranged from $236.11 to $956.39 depending on ownership, frequency of service and container size. During the fiscal year ended September 30, 2012, the Department serviced approximately 324,000 residential (household) units, approximately 3,700 household/commercial accounts and approximately 1,000 commercial accounts as compared to approximately 325,000 residential (household) units, approximately 3,600 household/commercial accounts and approximately 1,000 commercial accounts during the fiscal year ended September 30, 2011.

Utility Service Fee Revenues reflected a decrease to $21.7 million in fiscal year 2012 from $23 million in the fiscal year ended September 30, 2011. The utility service fee is a fee assessed Countywide on water and wastewater bills. It is intended to provide a stable source of funding for groundwater protection activities related to the landfills in the System. These activities include, but are not limited to, ground water remediation, landfill closure and related 30 years postclosure care. The County, beginning with fiscal year 1996, increased the existing utility service fee collected on water and wastewater bills from 4% to 7.5%. The increase of 3.5% was assigned to the Department.

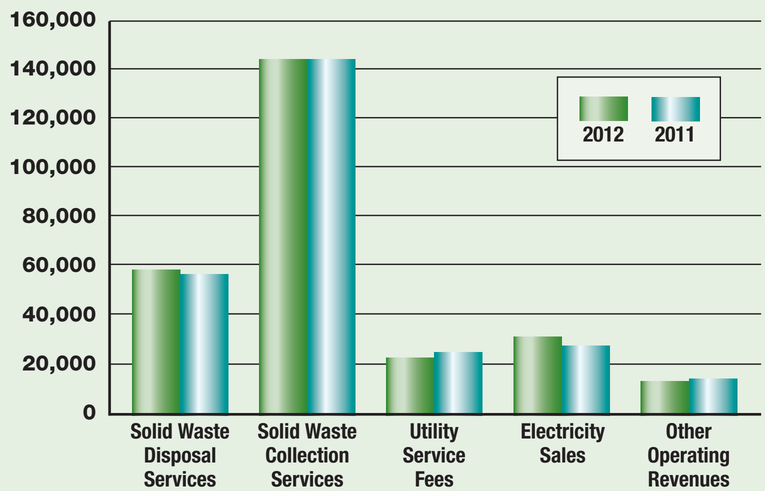
Electricity Sales decreased to $30.7 million in fiscal year 2012 from $31.5 million in the fiscal year ended September 30, 2011, reflecting the effects of lower kilowatt hours produced. Kilowatt hours (KWH) produced decreased to 332,019,000 in fiscal year 2012 from 339,009,000 KWH in fiscal year 2011. Electrical revenues are generated pursuant to agreements with Progress Energy Inc. and Florida Power and Light Company ("FP&L") for the sale of electricity generated at the Resources Recovery Facility. These revenues from Progress Energy Inc., net of costs to FP&L for services in connection with transmission, interconnection, Doral substation and other, are shared equally with the Facility's Operator.

Other Operating Revenues decreased to $14 million in fiscal year 2012 from $14.4 million in fiscal year 2011. Other Operating Revenues include Disposal Facility Fee revenues, office rental income, parking lot facilities revenue, code enforcement fines, permit fees and other. This decrease in fiscal year 2012, was reflected in most of the components but primarily resulted from lower Disposal Facility Fee revenue, all of which was slightly offset by higher land lease and miscellaneous revenues.

The following chart shows a comparison of operating revenues by source for the fiscal years ending September 30, 2012 and 2011.

Operating Revenues

(Dollar Amount in Thousands)



Fiscal Year 2011

Operating revenues decreased from $269 million in fiscal year 2010 to $266.9 million in fiscal year 2011, primarily as a result of lower Solid Waste Collection Services and Solid Waste Disposal Services revenues which were partially offset by higher Utility Service Fee and Electricity Sales revenues.

Disposal Services Revenues decreased to $56 million in the fiscal year ended September 30, 2011, from $57 million in fiscal year 2010. This decrease resulted from lower equivalent revenue tons partially offset by slightly higher disposal tipping fees. Equivalent revenue tons decreased from 1.56 million tons in the fiscal year ended

September 30, 2010, to 1.51 million tons in the fiscal year ended September 30, 2011. The decrease in equivalent revenue tons in fiscal year 2011, when compared to fiscal year 2010, is primarily attributable to the continuing decline in the economy prevalent during fiscal year 2011. Disposal tipping fees are collected from all users of the County's solid waste disposal facilities. Disposal tipping fees increased from fiscal year 2010 to fiscal year 2011, as follows: From $59.77 per ton to $60.30 per ton for contractual customers; from $78.80 per ton to $79.50 per ton for non-contractual customers; and from $11.77 per ton to $11.87 per ton for the additional fee paid by those customers utilizing the Department's transfer stations.

Solid Waste Collection Services Revenues decreased from $150 million in the fiscal year 2010 to $142 million in the fiscal year 2011. This decrease in collection services revenues was principally the result of lower collections of the waste fees on the Property Tax Bill by the Property Tax Collector partially offset by a minor increase (0.24%) in the waste collection units serviced in fiscal year 2011. Collection services revenues are derived primarily from the curbside collection of garbage and trash. Fees for collection services remained the same in fiscal year 2011 as compared to fiscal year 2010, as follows: $439 per household for residential curbside collection, $339 per unit for residential container service and the rollaway service ranged from $236.11 to $956.39 depending on ownership, frequency of service and container size. During the fiscal year ended September 30, 2011, the Department serviced approximately 325,000 residential (household) units, approximately 3,600 household/commercial accounts and approximately 1,000 commercial accounts as compared to approximately 324,000 residential (household) units, approximately 3,800 household/commercial accounts and approximately 1,000 commercial accounts during the fiscal year ended September 30, 2010.

Utility Service Fee Revenues reflected an increase to $23 million in fiscal year 2011 from $21 million in the fiscal year ended September 30, 2010. The utility service fee is a fee assessed Countywide on water and wastewater bills. It is intended to provide a stable source of funding for groundwater protection activities related to the landfills in the System. These activities include, but are not limited to, ground water remediation, landfill closure and related 30 years postclosure care. The County, beginning with fiscal year 1996, increased the existing utility service fee collected on water and wastewater bills from 4% to 7.5%. The increase of 3.5% was assigned to the Department.

Electricity Sales increased to $31.5 million in fiscal year 2011 from $26 million in the fiscal year ended September 30, 2010, reflecting the effects of higher kilowatt hours produced combined with higher capacity and energy payment rates. Kilowatt hours produced increased to 339,009,000 from 276,123,000 KWH in fiscal year 2010. Electrical revenues are generated pursuant to agreements with Progress Energy Inc. and Florida Power and Light Company ("FP&L") for the sale of electricity generated at the Resources Recovery Facility. These revenues from Progress Energy Inc., net of costs to FP&L for services in connection with transmission, interconnection, Doral substation and other, are shared equally with the Facility's Operator.

Other Operating Revenues decreased to $14.4 million in fiscal year 2011 from $15 million in fiscal year 2010. Other Operating Revenues include Disposal Facility Fee revenues, office rental income, parking lot facilities revenue, code enforcement fines, permit fees and other. This decrease in fiscal year 2011, primarily resulted from lower Disposal Facility Fee revenue which was partially offset by higher Code Enforcement Fines and office rental income and parking facilities revenues.

Fiscal Year 2012

Operating expenses prior to depreciation expense and closure and postclosure care costs for inactive landfills increased by $3 million to $223 million in fiscal year 2012, from $220 million in fiscal year 2011.

A summary of the Department's Operating Expenses Prior to Depreciation Expense and Closure & Postclosure Care Costs for Inactive Landfills for the years ended September 30, 2012, 2011 and 2010, respectively, is as follows (Table III):

TABLE III

Summary of Operating Expenses Prior to Depreciation Expense and Closure & Postclosure Care for Inactive Landfills

for the Fiscal Years Ended September 30, 2012, 2011 and 2010 respectively, indicating the amount of change in Fiscal Year 2012 as compared to Fiscal Year 2011

Operating Expenses Prior to Depreciation Expense and Closure & Postclosure Care for Inactive Landfills	**2012**	2011	2010		Increase/ (Decrease)
		(In thousands)			
Landfill & disposal operations, including change in closure & postclosure care cost estimates for active landfills	**$ 17,383**	$ 14,029	$ 19,420		$ 3,354
Waste-to-energy	**80,264**	79,873	65,444		391
Transfer operations	**21,024**	20,142	19,006		882
Garbage collection	**38,963**	38,361	36,141		602
Trash collection	**22,653**	22,986	21,912		(333)
Recycling	**9,283**	9,060	8,570		223
Litter control & County wide lot clearing	**1,147**	1,184	1,398	(A)	(37)
Facility maintenance	**2,436**	2,429	2,683		7
Enforcement and environmental compliance	**5,415**	5,768	8,121		(353)
General and administrative	**24,517**	26,367	29,621		(1,850)
Total	**$ 223,085**	$ 220,199	$ 212,316		$ 2,886

(A) County wide lot clearing activities ceased after fiscal year 2010.

For fiscal year 2012, operating expenses prior to depreciation expense and closure and postclosure care costs for inactive landfills increased approximately $3 million when compared to fiscal year 2011. This increase in costs primarily resulted from increases in landfill disposal operations, combined with higher costs in waste-to-energy, transfer operations, garbage collection, recycling and facility maintenance which were partially offset by cost decreases in trash collection, litter control, enforcement and environmental compliance and general and administrative costs.

Landfill and disposal operations increased approximately $3.4 million. This increase primarily resulted from the amortization for closure and post closure care costs for the active landfills as compared to a reduction in expense in fiscal year 2011. This increase was partially offset by decreases in other contractual and personnel services. Waste-to energy expenses increased approximately $391 thousand. This increase largely resulted from higher other contractual services and arbitrage costs (for the Resource Recovery Facility Refunding Revenue Bonds, Series 1996) partially offset by lower costs in basically all other categories. Transfer operations increased $882 thousand, principally as a result of higher charges for county services partially offset by lower personnel costs. Garbage collection increased $602 thousand primarily as a result of higher charges for county services, partially offset by lower personnel costs. Recycling expenses increased $223 thousand reflecting higher costs for other contractual and personnel services. Facility maintenance costs increased $7 thousand reflecting higher charges for county services and general and administrative expenses partially offset by lower costs in basically all other categories.

Trash operations decreased $333 thousand. This decrease largely resulted from lower personnel services partially offset by increases in basically all other categories. Costs for litter control decreased $37 thousand. This decrease primarily resulted from lower personnel services partially offset by higher charges for county services. Enforcement and Environmental compliance decreased $353 thousand. This decrease reflects lower costs in personnel, other contractual, maintenance and repairs partially offset by increases in charges for county services and general and administrative services. General and administrative costs decreased approximately $1.9 million. This decrease reflects lower personnel, contractual professional and county services partially offset by higher other contractual services, insurance, maintenance & repair costs, rental and tax collector services.

Additional information concerning Waste Management's Operations and Management (O&M) Agreement for the Resouces Recovery Facility can be found in Note 13 to the financial statements and additional information concerning WM's closure and postclosure care costs for active landfills can be found in Note 10 to the financial statements.

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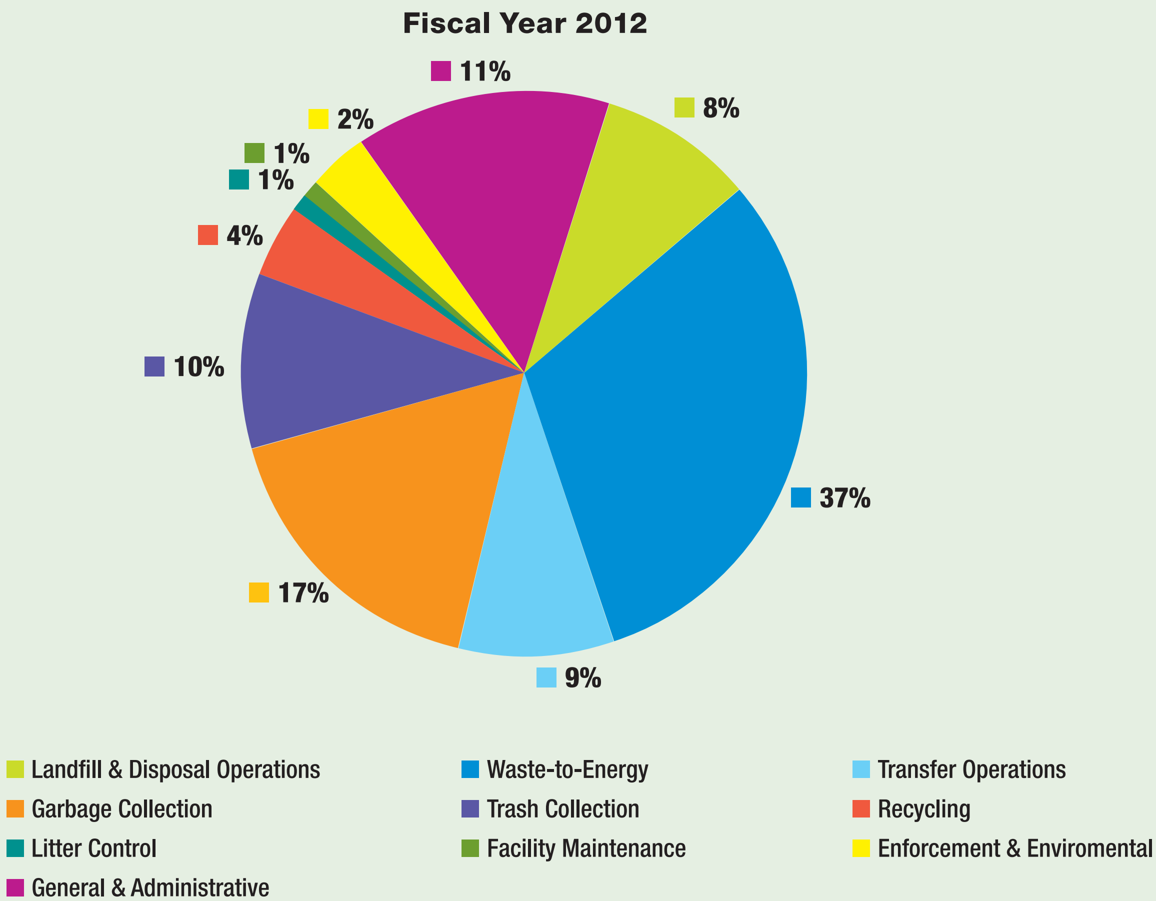
The following chart shows operating expenses before depreciation and costs for closure and postclosure care for inactive landfills for the fiscal year ended September 30, 2012.

Operating Expenses Before Depreciation and Closure and Postclosure Care Costs for Inactive Landfills

(As a Percentage of Total)



Depreciation expense decreased to approximately $23 million in fiscal year 2012 from approximately $27 million in fiscal year 2011. The decrease in fiscal year 2012, resulted from the combined effects of assets being fully depreciated and the disposal of depreciable plant and equipment partially offset by additions to depreciable plant and equipment and higher costs for landfill depletion. Additional information concerning the Department's depreciation policy can be found in Note 1 of the financial statements and additional information concerning the Department's property, plant and equipment can be found in Note 3 to the financial statements.

Changes in estimates for closure and postclosure care for inactive landfills in fiscal year 2012 resulted in a credit (recovery/reduction to expense) of approximately $2 million as compared to an expense of approximately $2 million in fiscal year 2011. This component includes expenses associated with the closure and postclosure care of the Main Landfill at N. W. 58th Street (Main) and the assumption of responsibility for closure enhancements to Olinda Park and the closure and postclosure care of the Old South Dade Landfill site (OSD) and the Ojus Landfill (Ojus). OSD and Ojus have been undergoing closure enhancements. The $2 million credit (reduction to expense) primarily reflects the recognition of a $2.3 million credit for OSD partially offset by a $300 thousand in expense for the Main Landfill. There were no expenses recognized in connection with Ojus or Olinda Park in fiscal year 2012. Changes in estimates result from the Department's postclosure care experience. Additional information concerning the Department's closure and postclosure care costs for inactive landfills can be found in Note 10 to the financial statements.

Non-operating expenses net of revenues in fiscal year 2012 totaled approximately $15.6 million as compared to approximately $9.3 million in fiscal year 2011. The components of this segment reflected decreases and increases as follows: interest income decreased $345 thousand (including a loss of $999 thousand in connection with the decline in the fair value of the interest rate swap reported as investment in derivative instruments, see Note 15 to the financial statements), interest expense decreased $444 thousand, closure grants (expense) increased $4.7 million and other expense, net of income increased $1.6 million reflecting the effects of receipts reclaimed by the Federal Emergency Management Agency (FEMA), as a result of expenses found ineligible for reimbursement by FEMA, during the ongoing audit of Hurricane Katrina's and Hurricane Wilma's reimbursements claimed and received by WM.

Fiscal Year 2011

For fiscal year 2011, operating expenses prior to depreciation expense and closure and postclosure care costs for inactive landfills increased approximately $8 million when compared to fiscal year 2010. This increase in costs resulted from increases in waste-to-energy, transfer operations, garbage collection, trash collection and recycling which were partially offset by cost decreases in landfill and disposal operations, litter control and county wide lot clearing, facility maintenance, enforcement and environmental compliance and general and administrative costs.

Waste-to energy expenses increased approximately $14 million. This increase primarily resulted from the impact of certain fiscal year 2010 transactions combined with higher payments to the Operator for O&M, Capital Tipping Fees, their share of electric revenue and other in fiscal year 2011. The fiscal year 2010 transactions included a reversal in fiscal year 2010 of $5.7 million liability (recognized in fiscal year 2009 in Recyclable Trash shortfalls) coupled with a $1 million payment the Department received as one time incentive for considering (and funding the expenses generated by the assignment) the January 28, 2010 Letter of Agreement for the assignment of the Operations and Management (O&M) Agreement to the new operator of the Resources Recovery Plant. Transfer operations increased approximately $1 million reflecting higher charges for county services. Garbage collection increased approximately $2 million primarily as a result of higher charges for county services, personnel costs and automated garbage carts. Trash operations increased approximately $1 million reflecting higher charges for county services and personnel costs. Recycling expenses increased $490 thousand reflecting higher costs for personnel and contractual services.

Landfill and disposal operations decreased approximately $5 million. This decrease primarily resulted from a reduction in expense for closure and postclosure care costs for the active landfills combined with lower costs for contractual services. Litter control and county wide lot clearing expenses decreased $214 thousand. This decline reflects the termination of county wide lot clearing services which were discontinued in fiscal year 2010 combined with lower charges for county services and contractual costs for litter control. Facility maintenance costs decreased $254 thousand reflecting lower personnel costs. Enforcement and environmental compliance expenses decreased approximately $2 million reflecting lower administrative, personnel and contractual costs. General and administrative expenses decreased approximately $3 million reflecting lower charges for county services, contractual and administrative costs.

Additional information concerning the Department's Operations and Management (O&M) Agreement for the Resouces Recovery Facility can be found in Note 13 to the financial statements and additional information concerning the Department's closure and postclosure care costs for active landfills can be found in Note 10 to the financial statements.

Depreciation expense decreased from approximately $30 million in fiscal year 2010 to approximately $27 million in fiscal year 2011. The decrease in fiscal year 2011, resulted from the combined effects of assets being fully depreciated, the disposal of depreciable plant and equipment, and lower landfill depletion (corresponding to lower tonnage land-filled in the facilities owned and operated by the County during fiscal year 2011), partially offset by additions to depreciable plant and equipment. Additional information concerning the Department's depreciation policy can be found in Note 1 of the financial statements and additional information concerning the Department's property, plant and equipment can be found in Note 3 to the financial statements.

Changes in estimates for closure and postclosure care for inactive landfills in fiscal year 2011 resulted in an expense of approximately $2 million as compared to $45 thousand for fiscal year 2010. This component includes expenses associated with the closure and postclosure care of the Main Landfill at N. W. 58th Street (Main) and the assumption of responsibility for closure enhancements to Olinda Park and the closure and postclosure care of the Old South Dade Landfill site (OSD) and the Ojus Landfill (Ojus). OSD and Ojus have been undergoing closure enhancements. The $2 million expense primarily reflects the recognition of expenses in connection with Olinda Park's closure enhancements combined with expenses for the Main Landfill and OSD. There were no expenses recognized in connection with Ojus in fiscal year 2011. Changes in estimates result from the Department's postclosure care experience. Additional information concerning the Department's closure and postclosure care costs for inactive landfills can be found in Note 10 to the financial statements.

Non-operating expenses net of revenues in fiscal year 2011 totaled approximately $9.3 million as compared to $9.2 million in fiscal year 2010. The components of this segment reflected decreases and increases as follows: interest income decreased $1.4 million (including a loss of $1.3 million in connection with the decline in the fair value of the interest rate swap reported as investment in derivative instruments pursuant to the implementation of the Governmental Accounting Standards Board, Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" GASB 53, see Note 15 to the financial statements), interest expense increased $873 thousand, closure grants (expense) decreased $1.1 million and other income, net of expense increased $941 thousand.

Fiscal Year 2012

Transfers Out

There were no transfers out during fiscal year 2012.

Fiscal Year 2011

Transfers Out

The Department transferred out $2.3 million to the Countywide Emergency Contingency Reserve in fiscal year 2011.

Capital Assets And Debt Administration

Capital Assets

Fiscal Year 2012

As of September 30, 2012, the Department had approximately $141 million invested in capital assets including landfills, the Resources Recovery Facility, transfer stations, Trash and Recycling Centers (T&R Centers), construction in progress and machinery and equipment. This amount represents a decrease of $19 million from $160 million at September 30, 2011. This decrease reflects the combined effects of depreciation expense, sales and disposal of assets partially offset by asset additions during fiscal year 2012.

Major capital assets activity during fiscal year 2012 included the following:

- Projects continued in connection with the 58 Street Truck Wash Facility, Collection 3A New Facility Building, Collection 58 Street Building Renovation, Collection Facility Improvements, T&R Centers Improvements, West and Southwest T&R Center, 58 Street Guardhouse & Drainage Improvements, Central Transfer Station Compactor-Phase II, Environmental Improvements, Disposal Facility Back-up Generator, Disposal Facilities Improvements, Disposal Scalehouse Expansion Project, Northeast Transfer Station - Tunnel Roof, Northeast Transfer Station - Surge Pit Tipping Floor Roof, Northeast Transfer Station- New Surge Pit Crane, Northeast Transfer Station – 3A New Facility, Resources Recovery Cell 20 Construction, miscellaneous projects at the Resources Recovery Facility, Replacement of Scales at Disposal Facilities, South Dade Ground Water Trench, South Dade Landfill Cell 5 Construction and West Transfer Station - Tipping Floor. The projects listed herein exclude the closure projects discussed below.

- It should be noted that while included in the Department's capital budget, closure projects, in accordance with generally accepted accounting principles, are not capitalized upon completion; therefore, certain costs of closure projects incurred in fiscal year 2012 have been excluded from property, plant and equipment in the summary table below. During fiscal year 2012, the Department contributed approximately $1.1 million to these closure projects. Additional information concerning the Department's closure and postclosure care costs for active and inactive landfills can be found in Note 10 to the financial statements.

- Contributions to capital projects during fiscal year 2012 totaled $5 million.

During fiscal year 2012, no event or changes in circumstances occurred resulting in the unexpected significant decline in the service utility (impairment) of the Department's capital assets.

The following table (Table IV) summarizes the Department's capital assets and accumulated depreciation at September 30.

TABLE IV

Capital Assets and Accumulated Depreciation

	At September 30,		
	2012	2011	2010
		(In thousands)	
Buildings and improvements	**$ 480,218**	$ 480,281	$ 480,281
Machinery and equipment	**161,265**	162,614	163,388
Capital Assets, depreciable	**641,483**	642,895	643,669
Accumulated depreciation	**(548,701)**	(527,437)	(503,832)
Land	**22,647**	22,847	22,847
Construction in progress	**25,381**	21,463	17,924
Capital Assets, Net	**$ 140,810**	$ 159,768	$ 180,608

Additional information concerning the changes in the Department's capital assets can be found in Note 3 to the financial statements.

Fiscal Year 2011

As of September 30, 2011, the Department had approximately $160 million invested in capital assets including landfills, the Resources Recovery Facility, transfer stations, Trash and Recycling Centers (T&R Centers), construction in progress and machinery and equipment. This amount represents a decrease of $21 million from $181 million at September 30, 2010. This decrease reflects the combined effects of depreciation expense, sales and disposal of assets partially offset by asset additions during fiscal year 2011.

Major capital assets activity during fiscal year 2011 included the following:

- Projects continued in connection with the Collection Facility Improvements, T&R Centers Improvements, West and Southwest T&R Center, Truck Wash Facility, Central Transfer Station Compactor-Phase II, Environmental Improvements, Disposal Facilities Improvements, 58 Street Guardhouse & Drainage Improvements, Disposal Scalehouse Expansion Project, Disposal Facility Back-up Generator, Northeast Transfer Station - Tunnel Roof, Northeast Transfer Station - Surge Pit Tipping Floor Roof, Northeast Transfer Station - New Surge Pit Crane, miscellaneous projects at the Resources Recovery Facility, South Dade Ground Water Trench, South Dade Landfill Cell 5 Construction, West Transfer Station - Tipping Floor, Collection 3A New Facility, Collection 58 Street Building Renovation, Northeast Transfer Station-3A New Facility and Resources Recovery Cell 20 Construction. The projects listed herein exclude the closure projects discussed below.

- It should be noted that while included in the Department's capital budget, closure projects, in accordance with generally accepted accounting principles, are not capitalized upon completion; therefore, certain costs of closure projects incurred in fiscal year 2011 have been excluded from property, plant and equipment in the summary table preveiously presented. During fiscal year 2011, the Department contributed approximately $587 thousand to these closure projects. Additional information concerning the Department's closure and postclosure care costs for active and inactive landfills can be found in Note 10 to the financial statements.

- Contributions to capital projects during fiscal year 2011 totaled $4 million.

During fiscal year 2011, no event or changes in circumstances occurred resulting in the unexpected significant decline in the service utility (impairment) of the Department's capital assets.

Long-term Debt

Fiscal Year 2012

At September 30, 2012, the Department had approximately $155.7 million in bonds payable and subordinate debt outstanding, as compared to approximately $169.7 million at September 30, 2011. Of this $155.7 million total, $148.1 million in bonds payable are secured by a prior lien upon a pledge of the Pledged Revenues of the System (that is, Net Operating Revenues, defined by the bond documents as operating revenues reduced by operating expenses) at September 30, 2012 as compared to $157.9 million at September 30, 2011. Pursuant to the bond rate covenant, the Department is required to meet debt service coverage of 120%. That is, Net Operating Revenues in each fiscal year must equal or exceed 120% of the annual principal and interest requirements on the bonds. For the year ended September 30, 2012, the Department's debt service coverage equaled 231%, as compared to 255% in the fiscal year ended September 30, 2011. This decrease in coverage is attributed to lower Net Operating Revenues (NOR). The decrease in NOR primarily resulted from the increase in operating expenses described above combined with the effects of the decreases in operating revenues and in interest income eligible for debt service coverage, coupled with the increases in closure and postclosure costs for the Main Landfill. The debt service coverage calculation herein excludes the $999 thousand loss in connection with the decline in the fair value of the interest rate swap reported as investment in derivative instruments pursuant to the implementation of the Governmental Accounting Standards Board, Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" (GASB 53), see Note 15 to the financial statements. The bond rate covenant permits the Net Operating Revenues in each fiscal year to be adjusted by adding amounts on deposit in the Rate Stabilization Fund as of the end of the immediately preceding fiscal year, in an amount not to exceed 20% of Net Operating Revenues. For fiscal year 2012, the calculation of debt service coverage resulting in 231% includes no adjustment to Net Operating Revenues from the Rate Stabilization Fund.

The remaining balance of $7.6 million in debt reflects the balance outstanding at September 30, 2012, for the County's Capital Asset Acquisition Special Obligation Bonds, Series 2002A, Series 2004B and Sunshine State Loans, Series I, 2005 and Series I, 2006 allocated to the Department (the Sunshine State Loans were restructured under the Series 2011A Loan Agreement during fiscal year 2011, see Note 4 to the financial statements). This debt is considered subordinate debt to the Department because the County, not the Department, pledged non-ad valorem revenues or other legally available funds for the payment of these bonds. The Department deems the debt service coverage requirement for this subordinate debt to be limited to 100% of annual principal and interest on this debt.

Total debt decreased approximately $14 million during fiscal year 2012. This decrease reflects the combined effects of debt reductions resulting from debt payments and the corresponding amortization of premium, discount, and deferred amounts recorded during fiscal year 2012 which were partially offset by the accretion values recognized for the capital appreciation bonds portion of the Department's Series 2005 bonds during fiscal 2012.

During February 2005, the Department updated its bond ratings with each of the three major rating agencies. The ratings received were as follows: Aaa from Moody's Investors Service, Inc., AAA from Standard and Poor's Credit Market Services, and AAA from Fitch Ratings. On September 13, 2011, Fitch Ratings upgraded the underlying 'A' rating (affirmed on September 23, 2009) to 'A+'. On December 9, 2011, Moody's Investors Service affirmed the underlying A2 rating.

The summary of the Department's debt obligations at September 30, (Table V) is shown below:

TABLE V

Waste Management Enterprise Fund

September 30, 2012
(In thousands)

		Amount Outstanding	Interest Rates
Revenue Bonds	$	148,066	3.65-5.5%
County Special Obligation Bonds		3,738	2.0-5.0%
Sunshine State Loans		3,866	5%
Total	$	155,670	

September 30, 2011
(In thousands)

		Amount Outstanding	Interest Rates
Revenue Bonds	$	157,902	3.65-5.5%
County Special Obligation Bonds		6,558	2.0-5.0%
Sunshine State Loans		5,228	5%
Total	$	169,688	

September 30, 2010
(In thousands)

		Amount Outstanding	Interest Rates
Revenue Refunding Bonds	$	10,800	4.0-6.0%
Revenue Bonds		159,095	3.65-5.5%
County Special Obligation Bonds		9,246	2.0-5.0%
Sunshine State Loans		6,477	Variable
Total	$	185,618	

Additional information concerning the WM's outstanding long-term debt and coverage calculations can be found in Note 4 to the financial statements and Table XII of the Statistical Section of this report.

Fiscal Year 2011

At September 30, 2011, the Department had approximately $169.7 million in bonds payable and subordinate debt outstanding, as compared to approximately $185.6 million at September 30, 2010. Of this $169.7 million total, $157.9 million in bonds payable are secured by a prior lien upon a pledge of the Pledged Revenues of the System (that is, Net Operating Revenues, defined by the bond documents as operating revenues reduced by operating expenses) at September 30, 2011 as compared to $169.9 million at September 30, 2010. Pursuant to the bond rate covenant, the Department is required to meet debt service coverage of 120%. That is, Net Operating Revenues in each fiscal year must equal or exceed 120% of the annual principal and interest requirements on the bonds. For the year ended September 30, 2011, the Department's debt service coverage equaled 255%, as compared to 292% in the fiscal year ended September 30, 2010. This decrease in coverage is attributed to lower Net Operating Revenues (NOR). The decrease in NOR resulted from the decrease in operating revenues and the increase in operating expenses described above. The effect of the decrease in NOR was partially offset by a decrease in debt service. The debt service coverage calculation herein excludes the $1.3 million loss in connection with the decline in the fair value of the interest rate swap reported as investment in derivative instruments pursuant to the implementation of the Governmental Accounting Standards Board, Statement No. 53, "Accounting and Financial Reporting for Derivative Instruments" (GASB 53), see Note 15 to the financial statements. The bond rate covenant permits the Net Operating Revenues in each fiscal year to be adjusted by adding amounts on deposit in the Rate Stabilization Fund as of the end of the immediately preceding fiscal year, in an amount not to exceed 20% of Net Operating Revenues. For fiscal year 2011, the calculation of debt service coverage resulting in 255% includes no adjustment to Net Operating Revenues from the Rate Stabilization Fund.

The remaining balance of $11.8 million in debt reflects the balance outstanding at September 30, 2011, for the County's Capital Asset Acquisition Special Obligation Bonds, Series 2002A, Series 2004B and Sunshine State Loans, Series I, 2005 and Series I, 2006 allocated to the Department. This debt is considered subordinate debt to the Department because the County, not the Department, pledged non-ad valorem revenues or other legally available funds for the payment of these bonds. The Department deems the debt service coverage requirement for this subordinate debt to be limited to 100% of annual principal and interest on this debt. The Sunshine Loans are outstanding from the Sunshine State Governmental Financing Commission. These loans were restructured during fiscal year 2011. See Note 4 to the financial statements.

Total debt decreased approximately $15.9 million during fiscal year 2011. This decrease reflects the combined effects of debt reductions resulting from debt payments and the corresponding amortization of premium, discount, and deferred amounts recorded during fiscal year 2011 which were partially offset by the accretion values recognized for the capital appreciation bonds portion of the Department's Series 2005 bonds during fiscal 2011.

During February 2005, the Department updated its bond ratings with each of the three major rating agencies. The ratings received were as follows: Aaa from Moody's Investors Service, Inc., AAA from Standard and Poor's Credit Market Services, and AAA from Fitch Ratings. On September 13, 2011, Fitch Ratings upgraded the underlying 'A' rating (affirmed on September 23, 2009) to 'A+'. At September 30, 2011, Moody's Investors Service was conducting surveillance work on the underlying A2 rating affirmed on September 10, 2008.

Economic Factors and Next Year's Budget and Rates

- Miami-Dade County's population increased in fiscal year 2012 by 1.4% as reported by the Planning Division's Research Section of Miami-Dade County's Department of Regulatory and Economic Resources. During the fiscal year ended September 30, 2012, the average annual number of household (residential) units, household/commercial accounts and commercial accounts serviced by the Department decreased 0.27%. During the previous two fiscal years the average annual number of household units, household/commercial accounts and commercial accounts increased 0.24% and 0.18% per year (for fiscal year 2011 and fiscal year 2010, respectively). Information concerning the Department's average annual number of household units, household/commercial accounts and commercial accounts can be found in Table V of the Statistical Information Section of this report.

- The numbers of disposal equivalent revenue tons have been 1.509, 1.512 and 1.556 million for fiscal years 2012, 2011 and 2010, respectively. Information concerning the Department's disposal equivalent revenue tons can be found in Table III A of the Statistical Information Section of this report.

All these factors were considered in the preparation of the Department's budget for fiscal year 2013.

The Adopted Budget for fiscal year 2013 includes:

- A disposal contract tipping fee of $63.65. This 1.69% increase over fiscal year 2012 reflects the changes in the consumer price index stipulated for this fee.

- The annual fee for curbside collection remained at $439 per household.

- The balance in the Disposal Fund's Rate Stabilization Reserves was $20.7 million as of September 30, 2012. The Adopted Budget for fiscal year 2013 does not anticipate the use of funds from Rate Stabilization.

Request For Information

This financial report is designed to provide customers, creditors and other interested parties with a general overview of the Department's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed in writing to the Controller, Public Works and Waste Management Department, 2525 NW 62 Street, 5th Floor, Miami, Florida 33147.

Statements of Net Assets

Assets	**September 30,**	
CURRENT ASSETS	**2012**	2011
	(In thousands)	
Cash and cash equivalents	$ **1,630**	$ 15,319
Investments	**177,698**	142,547
Accounts receivable, net of allowance of $186 and $228 respectively	**15,721**	10,801
Due from other governments	**164**	138
Loans receivable from other County funds	**298**	298
Total Unrestricted Current Assets	**195,511**	169,103
Current Restricted Assets		
Cash and cash equivalents	**12,022**	11,958
Investments	**203**	295
Accounts receivable	**9,674**	9,830
Total Restricted Current Assets	**21,899**	22,083
Total Current Assets	**217,410**	191,186
NON-CURRENT ASSETS		
Investment in Derivative Instruments	**603**	1,602
Restricted Assets		
Cash and cash equivalents	**8,311**	23,927
Investments	**107,417**	105,518
Total Restricted Non-Current Assets	**115,728**	129,445
Capital Assets		
Land	**22,647**	22,847
Buildings and improvements, net of depreciation	**45,286**	55,529
Furniture, Fixtures, Machinery and Equipment, net of depreciation	**47,496**	59,929
Construction in progress	**25,381**	21,463
Total Capital Assets, net	**140,810**	159,768
Other Assets		
Loans receivable from other County funds	**1,324**	1,622
Unamortized bond issuance cost and other	**4,318**	4,733
Total Other Assets	**5,642**	6,355
Total Non-Current Assets	**262,783**	297,170
Total Assets	$ **480,193**	$ 488,356

Continued

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

Statements of Net Assets

Continued

	September 30,	
Liabilities and Net Assets	**2012**	2011
CURRENT LIABILITIES	*(In thousands)*	
Payable from Unrestricted Assets		
Accounts payable and accrued expenses	$ **9,929**	$ 9,791
Due to other County funds	**1,635**	1,612
Compensated absences	**3,656**	3,853
Other current liabilities	**420**	458
Liability for closure and postclosure care costs	**1,984**	2,423
Total Payable from Unrestricted Assets	**17,624**	18,137
Payable from Restricted Assets		
Accounts payable	**92**	63
Accrued interest payable	**4,731**	4,652
Bonds and loans payable	**17,076**	17,368
Total Payable from Restricted Assets	**21,899**	22,083
Total Current Liabilities	**39,523**	40,220
Long-Term Liabilities		
Long-term portion of bonds and loans payable, net of unamortized discounts, premiums and deferred charges	**138,594**	152,320
Liability for closure & postclosure care costs	**92,267**	92,711
Compensated absences	**11,498**	11,709
Other long-term liabilities	**255**	63
Other post employment benefits	**1,549**	1,264
Total Long-Term Liabilities	**244,163**	258,067
Total Liabilities	**283,686**	298,287
Net Assets		
Invested in capital assets, net of related debt	**38,425**	55,208
Restricted for:		
Debt service	**11,711**	11,772
Groundwater protection	**9,674**	9,830
Rate stabilization	**20,686**	20,686
Operating reserve	**39,638**	41,811
Total Restricted	**81,709**	84,099
Unrestricted	**76,373**	50,762
Total Net Assets	$ **196,507**	$ 190,069

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

Statements of Revenues, Expenses and Changes in Fund Net Assets

	For the Fiscal Years Ended September 30,	
	2012	2011
	(In thousands)	
Operating Revenues		
Solid waste disposal services	$ **57,749**	$ 56,297
Solid waste collection services	**141,983**	142,305
Utility service fees	**21,692**	22,500
Electricity sales	**30,703**	31,469
Other operating revenues	**14,030**	14,373
Total Operating Revenues	**266,157**	266,944
Operating Expenses		
Landfill & disposal operations, including change in closure & postclosure care cost estimates for active landfills	**17,383**	14,029
Waste-to-energy	**80,264**	79,873
Transfer operations	**21,024**	20,142
Garbage collection	**38,963**	38,361
Trash collection	**22,653**	22,986
Recycling	**9,283**	9,060
Litter control	**1,147**	1,184
Facility maintenance	**2,436**	2,429
Enforcement and environmental compliance	**5,415**	5,768
General and administrative	**24,517**	26,367
Total	**223,085**	220,199
Depreciation	**22,991**	26,682
Closure & Postclosure Care Costs (Recovery) for Inactive Landfills	**(1,983)**	1,975
Total Operating Expenses	**244,093**	248,856
Operating Income	**22,064**	18,088
Non-Operating Revenues (Expenses)		
Interest income	**(206)**	139
Interest expense	**(8,810)**	(9,254)
Closure grants	**(5,477)**	(766)
Other Income (expense), net	**(1,133)**	499
Total Non-Operating Expenses, Net	**(15,626)**	(9,382)
Transfers Out	**–**	(2,307)
Changes in Fund Net Assets	**6,438**	6,399
Total Net Assets, beginning of the year	**190,069**	183,670
Total Net Assets, end of the year	$ **196,507**	$ 190,069

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

Statements of Cash Flows

	For the Fiscal Years Ended September 30, 2012	2011
	(In thousands)	
Cash Flows From Operating Activities:		
Cash received from fees and charges	$ **261,367**	$ 266,500
Cash paid to suppliers	**(155,535)**	(156,315)
Cash paid for closure and long-term care costs	**(1,596)**	(1,142)
Cash paid to employees for services	**(64,441)**	(69,113)
Net cash provided by operating activities	**39,795**	39,930
Cash Flows From Noncapital Financing Activities:		
Transfers out	**-**	(2,307)
Grant funds received from (reclaimed by) FEMA	**(1,736)**	452
Net cash used by noncapital financing activities	**(1,736)**	(1,855)
Cash Flows From Capital and Related Financing Activities:		
Principal payments on bonds and loans payable	**(15,600)**	(17,744)
Interest paid	**(7,648)**	(6,454)
Proceeds from the sale of property and equipment	**898**	293
Acquisition and construction of capital assets	**(3,886)**	(5,761)
Landfill closure grant expenses	**(5,198)**	(766)
Net cash used by capital and related financing activities	**(31,434)**	(30,432)
Cash Flows From Investing Activities:		
Proceeds from sale and maturity of investments	**248,360**	178,373
Purchases of investments	**(285,318)**	(248,360)
Interest earned on investments	**793**	1,437
Receipts from loan to other County fund for land purchase	**299**	299
Net cash used by investing activities	**(35,866)**	(68,251)
Net decrease in cash and cash equivalents	**(29,241)**	(60,608)
Cash and cash equivalents, beginning of year	**51,204**	111,812
Cash and cash equivalents, end of year	$ **21,963**	$ 51,204
Classified As:		
Unrestricted cash and cash equivalents	$ **1,630**	$ 15,319
Restricted cash and cash equivalents	**20,333**	35,885
Total	$ **21,963**	$ 51,204

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

Statements of Cash Flows

	For the Fiscal Years Ended September 30,	
	2012	2011
	(In thousands)	
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	$ **22,064**	$ 18,088
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation	**22,991**	26,682
Amortization of closure and postclosure care liability	**713**	180
(Increase) decrease in assets:		
Accounts receivable	**(4,764)**	(450)
Due from other governments & other County funds	**(26)**	6
Other assets	**192**	1,168
Increase (decrease) in liabilities:		
Accounts payable and accrued expenses	**167**	(4,779)
Compensated absences	**(408)**	182
Other current liabilities	**(38)**	(420)
Due to other County funds	**23**	135
Liability for closure and postclosure costs	**(1,596)**	(1,142)
Other long-term liabilities	**477**	280
Net Cash Provided by Operating Activities	$ **39,795**	$ 39,930

Noncash Investing, Capital and Financing Activities:

The increase in the fair value of investments was approximately $500,000 and approximately $611,000 in fiscal years 2012 and 2011, respectively.

The Department implemented the provisions of the Governmental Accounting Standards Board, Statement 53, “Accounting and Financial Reporting for Derivative Instruments” (GASB 53) in fiscal year 2010. GASB 53 resulted in a decrease of approximately $999 thousand and $1.3 million representing the change in the fair value of the swap as of September 30, 2012 and 2011, respectively.

Capitialized interest totaling $686 and $499 thousand was recognized in fiscal years 2012 and 2011, respectively.

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

Notes to Financial Statements

September 30, 2012 and 2011

1. General and Summary of Significant Accounting Policies

Reporting Entity – On September 22, 2011, the Miami-Dade County Board of County Commissioners approved the County's fiscal year 2012 budget. This budget reduced the number of county departments from 42 to 25, in an effort to build a more efficient County government to better serve taxpayers. The combination of Solid Waste and Public Works was to eliminate administrative duplication supporting the operational units translating in more resources being funneled to core missions and direct services. The County's evaluation of these two departments' functions revealed opportunities that lent themselves to this consolidation. As a result, the Department of Solid Waste Management and the Public Works Department commenced to merge their activities on October 1, 2011, as the newly formed Public Works and Waste Management Department (the "Department"/"PWWM"). In this Report, references to Public Works and Waste Management Department, "PWWM", the "Department", Waste Management and "WM" represent the activities of the Waste Management Enterprise Fund only.

Since the merger, the activities of the former Miami-Dade County Department of Solid Waste Management have been carried out by the Waste Management Enterprise Fund ("Waste Management"/"WM").

Waste Management provides solid waste collection services for unincorporated Miami-Dade County and some municipalities in addition to solid waste disposal services for all of Miami-Dade County. Under the provisions of the State of Florida 1988 Solid Waste Management Act, the County is responsible for providing sufficient solid waste disposal capacity for all of Miami-Dade County based on a defined "Level of Service Standard", as required by the 1985 State of Florida Growth Management Act.

The financial statements present only the financial position, results of operations and the cash flows of the Waste Management Enterprise Fund, in conformity with accounting principles generally accepted in the United States of America, and are not intended to present fairly the financial position, results of operations and the cash flows of Public Works and Waste Management Department, as a whole, or of Miami-Dade County, Florida.

Measurement Focus Basis of Accounting – Waste Management operates as a self-supporting governmental enterprise fund of the County. An enterprise fund is used to account for operations that recover the cost of services provided from user charges. Accordingly, the accompanying financial statements have been prepared using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred regardless of the related cash flow.

The accompanying financial statements combine the accounts of the Solid Waste Collection and Solid Waste Disposal Systems to provide meaningful information with respect to Waste Management. All significant intersystem transactions have been eliminated.

The financial statements are prepared in conformity with generally accepted accounting principles established by the Governmental Accounting Standards Board (GASB). The Department has elected not to apply certain pronouncements of the Financial Accounting Standards Board issued after November 30, 1989 as permitted by GASB Statement No. 20, *Accounting and Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*.

Use of Estimates – The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition – All waste collection (including solid waste collection services and other operating revenues) and disposal revenues (including solid waste disposal services, utility service fees, electricity sales and other operating revenues) are recognized when the related services are provided.

Operating and non-operating revenues – The Department distinguishes operating revenues and expenses from non-operating items in its statement of revenues, expenses and changes in net assets. In general operating revenues result from charges to customers for the use of the Department's services. Operating expenses relate to the cost of providing those services including administrative expenses, depreciation and depletion of capital assets, and closure and postclosure care for active and inactive landfills.

All other revenues and expenses that do not result from the Department's ongoing operations are considered to be non-operating. Non-operating items include but are not limited to investment earnings, interest expense, grants, and hurricane expenses, if any.

Cash and Cash Equivalents – Cash includes cash on hand, amounts in demand deposits, and positions in investment pools that can be deposited or withdrawn without notice or penalty. Cash equivalents are short-term, highly liquid securities with known market values and maturities, when acquired, of less than three months.

Investments – The investments of the Department are part of the County's investment pool. Non-participating investments, such as nonnegotiable certificates of deposit with redemption values that do not consider market rates, are reported at amortized cost. Participating investments are carried at fair value, and unrealized gains and losses due to variations in fair value are recognized during the year.

Derivative Instruments – The Department has entered into an interest rate swap which is being reported at fair value in the Statements of Net Assets and changes in the fair value are reported as investment (interest) income in the Statements of Revenues, Expenses and Changes in Fund Net Assets. Additional information can be found in Notes 13 and 15.

Restricted Assets – The use of certain assets is restricted by specific bond covenants, enabling legislation and other legal requirements. Assets so designated are identified as restricted assets on the statements of net assets.

Application of restricted and unrestricted resources – The Department's policy when both restricted and unrestricted resources are available to be used for a certain purpose is to use restricted resources first, and then use unrestricted resources as needed.

Capital Assets and Depreciation – Property, plant and equipment are capitalized at cost, when cost exceeds $1,000. Contributions by third parties are recorded at their fair market value on the date of contribution. Expenses for maintenance, repairs and minor renewals and betterments are expensed as incurred.

Annualized depreciation expense (including depreciation on contributed assets), expressed as a percentage of depreciable property, plant and equipment was 3.58% and 4.15% for the fiscal years ended September 30, 2012 and 2011, respectively. The Department utilizes the straight-line depreciation method of depreciation over the estimated useful lives of the assets, which are as follows:

Assets	Years
Buildings and improvements	10-25
Machinery and equipment	5-10

Intangible Assets – The Department capitalizes internally generated computer software under property plant and equipment. During developmental stage the costs are capitalized under Construction in Progress asset category. Once completed, the costs are reclassified to furniture, fixtures, machinery, and equipment asset category. The Department capitalized approximately $771 and $483 thousand as of September 30, 2012 and 2011, respectively.

Loans Receivable from Other County Funds – In fiscal year 2008, the Department made a loan to the Miami-Dade County Parks Department in the amount of $1,686,400 for the acquisition of a 33.58 acre portion of the WM–owned NW 58th Street Landfill property, which is to be repaid in ten annual installments of $168,640. Approximately $843 and $675 thousand had been repaid as of September 30, 2012 and 2011, respectively, leaving a remaining unpaid balance of $843 thousands and $1.01 million as of September 30, 2012 and 2011, respectively. In fiscal year 2009, the Department made another loan in the amount of $1,297,960 for the acquisition of a 19.81 acre portion of the WM-owned NW 58 Street Landfill to the Miami-Dade County Police Department. This loan is to be repaid in ten annual installments of $129,796. Approximately $519 and $389 thousand had been repaid as of September 30, 2012 and 2011, respectively, leaving a remaining unpaid balance of approximately $779 and $908 thousand, as of September 30, 2012 and 2011, respectively.

Net assets – Equity in the Department's statement of net assets is displayed in three categories: 1) invested in capital assets, net of related debt, (2) restricted, and 3) unrestricted. Net assets invested in capital assets, net of related debt consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended proceeds. Net assets are reported as restricted when there are third party limitations (statutory, enabling legislation, contractual or bond covenant) on their use. Unrestricted net assets consist of all net assets that do not meet the definition of either of the other two components.

Pollution Remediation Obligations – In accordance with GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, the Department conducts typical remediation activities such as site investigation, planning and design, cleanup and site monitoring activities. As of September 30, 2012, all remediation obligations were related to groundwater, freshwater and coastal wetlands. Therefore, the Department has included the corresponding remediation costs in the closure and postclosure care estimates affecting the liability for closure and postclosure care costs. For additional information refer to Note 11.

Interest on Indebtedness – Interest is charged to expense as incurred net of the amount of interest that is capitalized. The capitalized interest is determined by applying the Department's weighted average interest rate on tax-exempt borrowings to the average amount of accumulated construction in progress during the period, net of any interest earned on the funds borrowed for construction. Interest expense for the fiscal years ended September 30, 2012 and 2011 was $8.8 and $9 million, respectively. These amounts are net of capitalizable interest totaling $686 and $499 thousand in fiscal years 2012 and 2011, respectively.

Bond Premium, Discount, Deferred Gain/Loss on Debt Refunding and Issuance Costs – Premiums and discounts on bonds and notes payable are amortized using the straight-line method over the life of the related bond issues since, in the opinion of management, the results are not significantly different than those obtained by using the effective interest method of amortization. Bond issuance costs are capitalized and amortized over the life of the bonds, using the straight-line method. Gain/Loss on debt refunding is deferred and amortized over the shorter of the remaining life of the old debt or life of the new debt, using the straight-line method, which does not result in a material difference from the effective interest method.

Grants from Government Agencies – The Department records grant revenues when all eligibility requirements are met under the appropriate grant terms. This normally occurs as amounts are expended and become reimbursable from the granting agency.

Pension Plan – The Department contributes to the Florida Retirement System, a cost-sharing multi-employer plan. Contributions are expensed as incurred (see Note 7).

Post-employment Benefits other than Pensions – The Department participates in the County administered single-employer defined benefit healthcare plan that provides postretirement medical and dental coverage to retirees, their eligible spouses and dependents. These benefits are currently funded on a pay-as-you go basis. No assets have been segregated and restricted to fund these benefits. The Department makes contributions and records an obligation at the end of the fiscal year for the remaining balance (if any) based on the County's allocation (See Note 8).

Compensated Absences – The cost of accumulated vacation and sick time is recorded when earned by the employees. This liability is based on the employees' right to receive compensation for future absences at the time of the absence, or upon termination or retirement.

Cost Allocation – Certain engineering overhead and other costs are allocated between capital projects (capital assets) and operating expenses based on direct labor costs.

2. Cash, Cash Equivalents and Investments

Deposits and Investments

The County is responsible for all treasury functions and pools all cash and investments, except for separate cash and investment accounts which are maintained under legal restrictions. The Department's equity share of the total pooled cash and investment is included in the accompanying Statements of Net Assets under the current and restricted captions "Cash and cash equivalents" or "Investments". The carrying amounts as of September 30, 2012, and September 30, 2011 of the Department's cash on hand (cash and cash equivalents) and investments, included the following (in thousands):

		2012		2011
Unrestricted:				
Current cash and cash equivalents (1)	$	1,630	$	15,319
Current investments (2)		177,698		142,547
Restricted:				
Current and non-current cash and cash equivalents (1)		988		11,418
Current and non-current investments (2)		107,620		105,813
Total in pooled cash and cash equivalents and investments	$	287,936	$	275,097
% of County's pooled cash and cash equivalents and investments		13%		15%
Debt service with fiscal agent	$	112	$	112
Landfill closure grants		19,233		24,355
Total non-pooled	$	19,345	$	24,467
Total in pooled and non-pooled cash and cash equivalents and investments	$	307,281	$	299,564

(1) The County's percentage of the split for pooled cash equivalents is less than 1% due to the nature of the investments held at year end.

(2) The County classifies interest bearing money market accounts as investments.

Information regarding credit risk, custodial credit risk, concentration of credit risk, interest rate risk, and foreign currency risk for pooled cash and cash equivalents and investments can be found in the County's footnotes to the financial statements included in the separate County's Comprehensive Annual Financial Report.

Included in cash and cash equivalents are funds held as cash with fiscal agent pursuant to the Munisport and City of Homestead Closure Grants as shown above (see Note 14). As of September 30, 2012 the total balance of Closure Grant Funds is held in money market accounts. All the Closure Grant Funds are classified as restricted assets in the financial statements herein. None of the Closure Grant Funds are part of the County's pool. The municipalities managed the investment portfolios for these funds. The following is information regarding the closure grant funds.

Deposits, Investments and Custodial Credit Risk

In addition to insurance provided by the Federal Depository Insurance Corporation, all deposits are held in banking institutions approved by the State Treasurer of the State of Florida to hold public funds. Under the Florida Statutes Chapter 280, *Florida Security for Public Deposits Act*, the State Treasurer requires all Florida qualified public depositories to deposit with the Treasurer or another banking institution eligible collateral. In the event of a failure of a qualified public depository, the remaining public depositories would be responsible for covering any resulting losses. Accordingly, all amounts reported as deposits are insured or collateralized under the Florida Security for Public Deposits Act.

As required by Florida Statutes, the cities have adopted a written investment policy, which may, from time to time, be amended by the cities. Investments are made in accordance with provisions of the Florida Statutes and the cities' Bylaws. The cities are authorized to invest in obligations of the U.S. Treasury, its agencies, instrumentalities and the State Board of Administration Investment Pool.

Interest Rate Risk

The municipalities' investment policy limits the maturities on individual investments to no more than five years. The investments at September 30, 2012 meet the municipalities' investment policy restriction.

Credit Risk

The municipalities have an investment policy that limits investments to the highest rating by two national recognized statistical rating organizations, Standard and Poor's and Moody's Investment Services. Excess funds are sent to the Florida State Board of Administration for investment.

Concentration Credit Risk

The cities' investment policies limits its investments to no more than 15% in any one issuer. This includes certificates of deposit, U.S. Federal Agencies, and federal instrumentalities. The maximum limit for total investments varies from 35% to 60%. The cities do not have an issuers limit for the State Board of Administration Trust Funds. The cities have no single investment in one issuer of 5% or more.

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3. Property, Plant and Equipment

Capital assets activity for each of the years ended September 30, 2012 and September 30, 2011 was as follows:

(In Thousands)

	Balance at 10/1/2011	**Additions**	**Deletions**	**Balance at 9/30/2012**
Land	$ 22,847	$ -	$ 200	$ 22,647
Construction in Progress	21,463	5,079	1,161	25,381
Total Non-depreciable Assets	44,310	5,079	1,361	48,028
Building & Building Improvements				
Building Improvements	507	-	-	507
Buildings	310,037	-	63	309,974
Total Buildings & Improvements	310,544	-	63	310,481
Other Improvements (Including Landfills)	169,737	-	-	169,737
Furniture, Fixtures, Machinery & Equipment				
Machinery, Equipment & Furniture	53,672	361	209	53,824
Automotive Equipment	107,853	17	1,518	106,352
Other Items	1,089	-	-	1,089
Total Furniture, Fixtures, Machinery & Equipment	162,614	378	1,727	161,265
Total Depreciable Assets	642,895	378	1,790	641,483
Less Accumulated Depreciation for:				
Buildings & Building Improvements	277,568	3,707	33	281,242
Other Improvements	147,184	6,506	-	153,690
Furniture, Fixtures, Machinery & Equipment	102,685	12,778	1,694	113,769
Total Accumulated Depreciation	527,437	22,991	1,727	548,701
Total Depreciable Assets, Net	115,458	(22,613)	63	92,782
Total Capital Assets, Net	**$ 159,768**	**$ (17,534)**	**$ 1,424**	**$ 140,810**

Construction in progress additions and deletions include $1.1 million for landfill closure and $686 thousand in capitalized interest additions.

Continued

	(In Thousands)			
	Balance at 10/1/2010	**Additions**	**Deletions**	**Balance at 9/30/2011**
Land	$ 22,847	$ -	$ -	$ 22,847
Construction in Progress	17,924	4,126	587	21,463
Total Non-depreciable Assets	40,771	4,126	587	44,310
Building & Building Improvements				
Building Improvements	507	-	-	507
Buildings	310,037	-	-	310,037
Total Buildings & Improvements	310,544	-	-	310,544
Other Improvements (Including Landfills)	169,737	-	-	169,737
Furniture, Fixtures, Machinery & Equipment				
Machinery, Equipment & Furniture	53,475	447	250	53,672
Automotive Equipment	108,824	2,086	3,057	107,853
Other Items	1,089	-	-	1,089
Total Furniture, Fixtures, Machinery & Equipment	163,388	2,533	3,307	162,614
Total Depreciable Assets	643,669	2,533	3,307	642,895
Less Accumulated Depreciation for:				
Buildings & Building Improvements	272,517	5,051	-	277,568
Other Improvements	140,825	6,359	-	147,184
Furniture, Fixtures, Machinery & Equipment	90,490	15,272	3,077	102,685
Total Accumulated Depreciation	503,832	26,682	3,077	527,437
Total Depreciable Assets, Net	139,837	(24,149)	230	115,458
Total Capital Assets, Net	**$ 180,608**	**$ (20,023)**	**$ 817**	**$ 159,768**

Construction in progress additions and deletions include $587 thousand for landfill closure and $499 thousand in capitalized interest additions.

4. Long-Term Debt

Long-term debt includes various bonds and loans payable which have been issued or approved by the County for the construction and improvement of the Department's waste collection and disposal infrastructure systems, and for the acquisition of certain capital assets. See Note 5 Restricted Assets, for a discussion of the accounts used in accounting for proceeds and collateral pledged as a result of the issuance of the various forms of debt.

General covenants, along with debt service requirements, are as follows:

Miami-Dade County Revenue Bonds Series 2005 – On April 21, 2005, the County issued $73.5 million of Miami-Dade County Solid Waste System Revenue Bonds Series 2005 ("the Series 2005 Revenue Bonds").

The Series 2005 Revenue Bonds are secured by the operating revenues of the Department, with principal payable annually on October 1 through the year 2030, along with semiannual interest payable on April 1 and October 1, with interest rates ranging from 4.04% to 5.25%. A portion of these bonds were sold as capital appreciation bonds ($35 million original principal amount) and others were sold as current interest bonds (principal amount $23.7 million). The required operating revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal years 2012 and 2011.

The proceeds of $76 million, including the bond premium, were for the purpose of (1) paying or reimbursing the County for the costs of certain solid waste disposal projects (such as closure of former Munisport Landfill located in the City of North Miami ($31 million)); closure of the former municipal landfill located in the City of Homestead ($7.5 million); closure of Cell Three located at the South Miami-Dade Landfill ($6.7 million); closure of former Virginia Key Landfill located in the City of Miami, Phase 1 ($27.6 million); closure study of former Virginia Key Landfill located in the City of Miami ($650,000); and construction of groundwater remediation project at the North Miami-Dade Landfill ($1.5 million), and (2) pay the costs of issuance for the Series 2005 Revenue Bonds including premiums for a municipal bond insurance policy and a surety bond.

Miami-Dade County Revenue Bonds Series 2001 – On February 28, 2001, the County issued $40.3 million of Miami-Dade County Solid Waste System Revenue Bonds, Series 2001 ("the Series 2001 Revenue Bonds").

The Series 2001 Revenue Bonds are secured by the operating revenues of the Department, with principal payable annually on October 1 through the year 2020, along with semiannual interest payable on April 1 and October 1, with interest rates ranging from 4.375% to 5.50%. The required net operating revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal years 2012 and 2011.

The proceeds of $41.1 million, including the bond premium, were used to: (1) pay $40 million of the Costs for the 1997 Project (such portion of the Costs of the 1997 Project constituting a Project for purposes of the Series 2001 Resolution which continues to fund the Capital Improvement Program (CIP), completes ongoing projects and fund new projects. These projects include North Dade Landfill Gas Extraction System and Leachate Pretreatment, Old South Dade Landfill Closure Enhancement, Resource Recovery Cell 17 Closure and Central and Northeast Transfer Stations' compactors overhaul), and (2) pay the costs of issuance for the Series 2001 Revenue Bonds including premiums for a municipal bond insurance policy and a surety bond.

Miami-Dade County Revenue Bonds Series 1998 – On August 19, 1998, the County issued $60 million of Miami-Dade County Solid Waste System Revenue Bonds Series 1998 ("the Series 1998 Revenue Bonds").

The Series 1998 Revenue Bonds are secured by the operating revenues of the Department, with principal payable annually on October 1 through the year 2018, along with semiannual interest payable on April 1 and October 1, with interest rates ranging from 3.65% to 5.1%. The required operating revenue coverage ratio of 1.2 times the current year's debt service was met for fiscal years 2012 and 2011.

The proceeds of $60 million were used to: (1) pay the principal balance of $50 million on the Dade County, Florida Solid Waste System Bond Anticipation Notes, Series 1997 which matured on September 1, 1998 (2) provide $7.8 million for capital projects (additional various capital projects of the 1997 CIP Project which includes closure, new landfill cells construction, groundwater monitoring wells construction, leachate collection and treatment improvements construction and construction of transfer station improvements), and (3) pay the costs of issuance for the Series 1998 Revenue Bonds including premiums for a municipal bond insurance policy and a surety bond.

Miami-Dade County Capital Asset Acquisition Bonds, Series 2004B – On September 29, 2004, the County issued Capital Asset Acquisition Special Obligation Bonds, Series 2004B ("the Series 2004B Bonds") of which $2.9 million was allocated to the Department. Under the Bond Ordinance, the County has covenanted and agreed to annually budget and appropriate in its Annual Budget, by amendment, if required and to the extent permitted and in accordance with budgetary procedures provided by the laws of the State, and to pay when due directly into the appropriate fund or account created in the Bond Ordinance or to the Bond Insurer or provider of a Reserve Facility directly, as the case may be, sufficient amounts of legally available non-ad valorem revenues or other legally available funds sufficient to satisfy principal of, premium, if any, and interest on the Bonds, as the same become due and payable.

The Department pays the County for its share of the annual principal due on the bonds which started on April 1, 2006 and continues through the year 2016, along with its share of the semiannual interest payable on April 1 and October 1 (which started April 1, 2005). Interest rates on the bonds ranged from 2.25% to 5.00%.

The Department's share of the bond proceeds of $3 million, including a bond premium of $101 thousand, was used to: (1) pay $3.0 million for the purchase and improvement of certain capital assets owned by the Department and (2) pay the costs of issuance for the series 2004B Capital Asset Acquisition Bonds including premiums for a municipal bond insurance policy and a surety bond.

Miami-Dade County Capital Asset Acquisition Bonds, Series 2002A - On September 19, 2002, the County issued Capital Asset Acquisition Special Obligation Bonds, Series 2002A ("the Series 2002A Bonds") of which $21 million was allocated to the Department. Under the Bond Ordinance, the County has covenanted and agreed to annually budget and appropriate in its Annual Budget, by amendment, if required and to the extent permitted and in accordance with budgetary procedures provided by the laws of the State, and to pay when due directly into the appropriate fund or account created in the Bond Ordinance or to the Bond Insurer or provider of a Reserve Facility directly, as the case may be, sufficient amounts of legally available non-ad valorem revenues or other legally available funds sufficient to satisfy principal of, premium, if any, and interest on the Bonds, as the same become due and payable.

The Department pays the County for its share of the annual principal due on the bonds which started on April 1, 2004 and continues through the year 2013, along with its share of the semiannual interest payable on April 1 and October 1. Interest rates on the bonds ranged from 2.00% to 5.00%.

The Department's share of the bond proceeds of $23 million, including a bond premium of $2.07 million, was used to: (1) pay $22.8 million for the purchase and improvement of certain capital assets owned by the Department and (2) pay the costs of issuance for the series 2002A Capital Asset Acquisition Bonds including premiums for a municipal bond insurance policy and a surety bond.

Sunshine State Series 2011A Loan Agreement (formerly Series I, 2006) – On July 6, 2006, the Board of County Commissioners approved an ordinance authorizing the County to incur indebtedness in an aggregate principal amount not to exceed $100 million in the form of a loan from the Sunshine State Governmental Financing Commission (the "Sunshine State Commission"), for the purpose of paying or reimbursing cost of certain capital costs; providing that such loan shall be secured by covenant to budget and appropriate from legally available non-ad valorem revenues of the County.

On September 7, 2006, the County, on behalf of the Department entered into such loan agreement with the Commission in the amount of $2.1 million. The 2006 Sunshine State Loan was a fully amortized loan with principal due annually beginning September 1, 2007 through its scheduled maturity date September 1, 2016.

Sunshine State Loan Restructuring – On March 30, 2011, the Sunshine State Commission priced a new series of bonds under the Multimodal Program in the amount of $247.6 million (the "Series 2011A Bonds"). The Series 2011A Bonds are fixed rate bonds with a final maturity of September 1, 2027. The proceeds of $247.6 million and the original issue premium in the amount of $8.2 were lent to the County pursuant to a loan agreement (the "Series 2011A Loan Agreement") on April 14, 2011 and were used to defease $227.3 million of the outstanding County's Series L Loans and $28.4 million of the outstanding County's 1986 Loans. The Series 2011A Bonds closed on April 14, 2011. The Department's share of the Sunshine State Loans Series I, 2006 were part of the Series L Loans referred to above.

The portion of Series 2011A loans corresponding to the Series I, 2006 totaled $1.3 million. A deferred gain on restructure of $42 thousand was recognized as a result of the loan restructuring during fiscal year 2011. This deferred gain is being amortized through out the life of the loan. This loan bears interest at a 5% fixed rate pursuant to the loan restructure.

Sunshine State Series 2011A Loan Agreement (formerly Series I, 2005) – On July 7, 2005, the Board of County Commissioners approved an ordinance authorizing the County to incur indebtedness in an aggregate principal amount not to exceed $71 million in the form of a loan from the Sunshine State Governmental Financing Commission (the "Sunshine State Commission"), for the purpose of paying or reimbursing cost of certain capital costs; providing that such loan shall be secured by covenant to budget and appropriate from legally available non-ad valorem revenues of the County.

On August 16, 2005, the County, on behalf of the Department entered into such loan agreement with the Commission in the amount of $10.3 million. The 2005 Sunshine State Loan was a fully amortized loan with principal due annually beginning September 1, 2006 through its scheduled maturity date September 1, 2015.

Sunshine State Loan Restructuring – The Department's share of the Sunshine State Loans Series I, 2005 were part of the Series L Loans referred to above.

The portion of Series 2011A loans corresponding to the Series I, 2005 totaled $5.1 million. A deferred gain on restructure of $161 thousand was recognized as a result of the loan restructuring during fiscal year 2011. This deferred gain is being amortized through out the life of the loan. This loan bears interest at a 5% fixed rate pursuant to the loan restructure.

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Summary of Outstanding Bonds and Loans (In thousands):

Description	**Rate**	**Amount Issued**	**Maturity Date**	**Balance Outstanding**
Series 98 Revenue Bonds	3.65-5.1%	$ 60,000	10/1/18	$ 27,505
Plus: Unamortized Premium - 97 BANS				63
Less:				
Uamortized Discount				(326)
Current Portion				(3,395)
Total Long-term Bonds Payable on Series 1998				**$ 23,847**
Series 01 Revenue Bonds	4.375-5.5%	$ 40,395	10/1/20	$ 37,945
Plus: Unamortized Premium				240
Less: Current Portion				(2,575)
Total Long-term Bonds Payable on Series 2001				$ **35,610**
Series 05 Revenue Bonds	4.04-5.25%	$ 73,507	10/1/30	$ 67,680
Accretion for Capital Appreciation Bonds				13,164
Plus: Unamortized Premium				1,795
Less: Current Portion-Accretion				(1,527)
Less: Current Portion				(5,534)
Total Long-term Bonds Payable on Series 2005				**$ 75,578**
Series 02 Capital Asset Bonds	2-5%	$ 21,045	4/1/13	$ 2,595
Plus: Unamortized Premium				14
Less: Current Portion				(2,595)
Total Long-term Subordinate Debt Payable on Series 2002A				**$ 14**
Series 04 Capital Asset Bonds	2.25-5%	$ 2,945	4/1/16	$ 1,115
Plus: Unamortized Premium				14
Less: Current Portion				(300)
Total Long-term Subordinate Debt Payable on Series 2004B				**$ 829**
Series 2011A Loan Agreement (formerly Series I, 2005 Sunshine State Loan)	5%	$ 10,289	9/1/15	$ 2,801
Plus: Deferred gain on restructure				120
Less: Current Portion				(920)
Total Long-term Series 2011A Loan Agreement (formerly Sunshine State Loan Payable - Series I, 2005)				**$ 2,001**
Series 2011A Loan Agreement (formerly Series I, 2006 Sunshine State Loan)	5%	$ 2,053	9/1/16	$ 911
Plus: Deferred gain on restructure				34
Less: Current Portion				(230)
Total Long-term Series 2011A Loan Agreement (formerly Sunshine State Loan Payable - Series I, 2006)				**$ 715**
Total Long-term Bonds & Loans Outstanding, net of current portion at 09/30/12				**$ 138,594**

At September 30, 2012 there were no defeased bonds outstanding.

Debt Service Requirements - The Department's debt service requirements to maturity, current value of deferred charges and unamortized premium/discount at September 30, 2012, are as follows:

		(In Thousands)	
Maturing in Fiscal Year	**Principal (1)**	**Interest**	**Total**
2013	$ 15,925	$ 7,287	$ 23,212
2014	13,055	7,162	20,217
2015	12,760	7,116	19,876
2016	12,507	7,047	19,554
2017	12,020	6,943	18,963
2018-2022	46,123	15,853	61,976
2023-2027	14,535	5,850	20,385
2028-2031	14,715	1,595	16,310
Subtotal	**141,640**	**58,853**	**200,493**
Unaccreted value	(4,800)	-	(4,800)
Accretions to date	13,164	(13,164)	-
Unamortized Premium/Discount, net	1,800	-	1,800
Series 2011A Loan Agreement (formerly Sunshine State Loan Series I, 2005)	2,801	251	3,052
Deferred gain on restructure	120	-	120
Series 2011A Loan Agreement (formerly Sunshine State Loan Series I, 2006)	911	110	1,021
Deferred gain on restructure	34	-	34
Current Portion	(17,076)	-	(17,076)
Total Bonds and Loans Outstanding, net of current portion	**$ 138,594**	**$ 46,050**	**$ 184,644**

Debt Service Requirements for Series 2011A Loan Agreement (formerly Sunshine State Loan Series I, 2006):

		(In Thousands)	
Maturing in Fiscal Year	**Principal**	**Interest**	**Total**
2013	$ 230	$ 43	$ 273
2014	240	32	272
2015	181	22	203
2016	260	13	273
Total	$ 911	$ 110	$ 1,021

Debt Service Requirements for Series 2011A Loan Agreement (formerly Sunshine State Loan Series I, 2005):

		(In Thousands)	
Maturing in Fiscal Year	**Principal**	**Interest**	**Total**
2013	$ 921	$ 129	$ 1,050
2014	1,092	83	1,175
2015	788	39	827
Total	$ 2,801	$ 251	$ 3,052

Refer to Note 12 for additional information regarding beginning balance, additions, reductions and ending balance.

(1) Includes accretion for Series 2005.

5. Restricted Assets

Restricted assets represent funds that are required to be segregated in restricted accounts under the terms of the various bond agreements (see Note 4) and for compliance with Chapter 24 of the Miami-Dade County Code for water supply protection, planning, and programming, including without limitation, municipal solid waste landfill closure, environmental remediation at landfill sites, and land acquisition for purposes of water supply protection (See Note 10). Assets were restricted for the following purposes as of September 30, 2012 and 2011, respectively:

Restricted Assets	**2012**	2011
	(in thousands)	
Construction and Equipment	**$ 31,954**	$ 38,422
Debt Service (1)	**16,442**	16,424
Groundwater Protection	**9,674**	9,830
Landfill Closure Grants (2)	**19,233**	24,355
Rate Stabilization	**20,686**	20,686
Operating Reserve	**39,638**	41,811
Total	**$ 137,627**	$ 151,528

(1) This amount is presented net of accrued interest payable in the corresponding Net Assets section of the Statement of Net Assets.

(2) This amount is presented net of related debt in the corresponding Net Assets section of the Statement of Net Assets.

6. Risk Management

The Department, along with certain other County departments, participates in the County's self-insurance programs. The County's Risk Management Division ("RMD") administers property, workers' compensation, general, and automobile liability self-insurance programs. A large portion of the group medical insurance program is also self-insured and it is managed by an independent third party administrator. In addition, the County offers one fully insured HMO program.

The property self-insurance program covers the first $5 million of property losses for most perils. A $200 million self insured retention per occurrence applied to named windstorm losses. Named windstorm coverage is limited to $725 million per occurrence. Insurance coverage is maintained with independent carriers for property losses in excess of self insured retention. The County maintains no excess coverage with independent insurance carriers for its workers' compensation, general liability, and auto liability self-insurance programs. Premiums are charged to the various County departments based on amounts necessary to provide funding for current and anticipated losses. There were no changes made to insurance coverage and no claims exceeded coverage for fiscal years 2012 and 2011, respectively. The estimated liability for reported and unreported claims of the self-insurance programs administered by the RMD is determined annually based on the estimated ultimate cost of settling claims, past experience adjusted for current trends, and other factors that would modify past experience. Outstanding claims are evaluated through a combination of case-by-case reviews and the application of historical experience. The estimate of incurred, but not reported losses is based on historical experience and is performed by an independent actuary. For the fiscal years ended September 30, 2012 and 2011, the Department paid approximately $2.2 and $2 million in premium costs to the self-insured programs, respectively.

7. Pension Plans and Other Employee Benefits

Pension Plans

The Department, as an enterprise fund of the County, participates in the Florida Retirement System ("FRS"), a cost-sharing, multiple-employer, public employee retirement plan, which covers substantially all of the Department's full-time and eligible part-time employees. The FRS was created in 1970 by consolidating several employee retirement systems. All eligible employees as defined by the State who were hired after 1970 and those employed prior to 1970, who elect to be enrolled, are covered by the FRS. Benefits under the plan vest after 6 years of service. Employees who retire at or after age 62, with six years of credited service, are entitled to an annual retirement benefit, payable monthly for life. The FRS also provides for early retirement at reduced benefits, and death and disability benefits. These benefit provisions and all other requirements are established by State statute.

The Florida Legislature created a new defined contribution program that was added to the menu of choices available to FRS members beginning in June 2002. Formally created as the Public Employee Optional Retirement Program (PEORP), the FRS Investment Plan is available as an option for all current and future FRS members, including renewed members (FRS retirees who have returned to FRS employment). The FRS Investment Plan is a defined contribution plan where the contribution amount is fixed by a set percentage determined by law and the contribution is made to an individual account in each participant's name. With a defined contribution plan, in which the monthly contribution rate is fixed, the final benefit will be the total account value (contributions plus investment earnings less expenses and losses) distributed during retirement.

The FRS funding policy provides for monthly employer contributions at actuarially determined rates that, expressed as percentages of annual covered payroll, are adequate to accumulate sufficient assets to pay benefits when due based upon plan assumptions. Employer contribution rates are established by state law as a level percentage of payroll (Chapter 121.70 Florida Statutes). Employer contribution rates are determined using the entry-age actuarial cost method. The consulting actuary recommends rates based on the annual valuation, but actual contribution rates are established by the Florida legislature.

For fiscal years ended September 30, 2012, September 30, 2011 and September 30, 2010, the Department contributed 100% of the annual required contribution for pension costs. Pension costs of the Department for the years ended September 30, 2012, 2011 and 2010, amounted to approximately $2.2, $4.7, and $4.9 million, respectively, representing 4.4%, 9%, and 10% of the Department's payroll, for the fiscal years 2012, 2011 and 2010, respectively.

Pension costs for the County, as required and defined by State statute, ranged from 5.18% to 14.90%, of gross salaries for fiscal year 2012, and 4.9% to 14.1 % and 10.8% to 23.2% for fiscal years 2011 and 2010, respectively. For the fiscal years ended September 30, 2012, 2011 and 2010, the County made 100% of the required contributions.

A copy of the FRS' June 30, 2012 annual report can be obtained by writing to the Division of Retirement, Cedars Executive Center, 2639-C North Monroe Street, Tallahassee, FL 32399-1560, or by calling (850) 488-5706.

Compensated Absences

It is the County's/Department's policy to permit employees to accumulate earned but unused vacation and sick pay benefits, which will be paid to employees upon separation from County/Department service. The Department accrues vacation and sick pay benefits in the period earned. Accrued vacation, sick pay and departure incentive program payable which are included in compensated absences line item in the accompanying statements of net assets, totaled approximately $15.2 and $15.6 million for September 30, 2012 and 2011, respectively.

Deferred Compensation Plan

The County offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all County employees, allows them to defer a portion of their salary to future years. The County's direct involvement in the Plan is limited to remitting the amounts withheld from employees to the Plan's administrator. The deferred compensation plan is not available to employees until termination, retirement, death or an unforeseeable emergency. The deferred compensation plan is not included in the County's financial statements.

8. Postemployment Benefits Other Than Pensions

WM as an enterprise fund of the County ("MDC") participates in the County's Post Employment Benefits Plan.

In accordance with Governmental Accounting Standards Board Statement 45 (GASB 45) for other post employment benefits (OPEB), the County accrues the cost of the retiree health subsidy and OPEB during the period of employees' active employment as the benefits are being earned. It requires the unfunded actuarial accrued liability be disclosed in the notes to the financial statements, in order to accurately present the total future cost of OPEB and the financial impact on the County.

Plan Description. The County administers a single-employer defined benefit healthcare plan ("the Plan") that provides postretirement medical and dental coverage to retirees as well as their eligible spouses and dependents. Benefits are provided through the County's group health insurance plan, which covers both active and retired members. Benefits are established and may be amended by the Miami-Dade County Board of County Commissioners ("the BCC"), whose powers derive from F.S. 125.01(3)(a). The Plan does not issue a publicly available financial report.

Eligibility: To be eligible to receive retiree medical and dental benefits, participants must be eligible for retirement benefits under the Florida Retirement System (FRS) or the Public Health Trust of Miami-Dade County, Florida, Defined Benefit Retirement Plan and pay required contributions.

Regular Class (All employees not identified as members of the Special Risk Class)

- Eligibility for Unreduced Pension Benefits under FRS
    - Age 62 with 6 years of service
    - 30 years of service (no age requirement)
- Eligibility for Reduced Pension Benefits under FRS
    - 6 years of service (no age requirement)
    - Those hired after July 1, 2011 are eligible at age 65 with 8 years of service
    - 33 years of service (no age requirement)

Special Risk Class (Police Officers, Firefighters and Corrections Officers)

- Eligibility for Unreduced Pension Benefits under FRS
    - Age 55 with 6 years of special risk service
    - 25 years of special risk service (no age requirement)

- Eligibility for Reduced Pension Benefits under FRS
    - 6 years of service (no age requirement)
    - Those hired after July 1, 2011 are eligible at age 60 with 8 years of service
    - 30 years of service (no age requirement)

Benefits: The medical plans offered provide hospital, medical and pharmacy coverage. As of September 30, 2012, the pre-65 retirees are able to select from three medical plans as follows:

- AvMed POS
- AvMed HMO High Option
- AvMed HMO Low Option

As of September 30, 2012, the post-65 retirees (Medicare age) are able to select from three medical plans as follows. The County only contributes to post-65 retirees electing an AvMed Medicare Supplement Plan.

- AvMed Medicare Supplement Low Option with RX
- AvMed Medicare Supplement High Option with RX
- AvMed Medicare Supplement High Option without RX

Number of Covered Participants for the overall County:

	County
Actives	31,284
Retirees under age 65	2,746
Eligible spouses under age 65	734
Retirees age 65 and over	586
Eligible spouses age 65 and over	83
Total	35,433

Funding Policy. The County contributes to both the pre-65 and post-65 retiree medical coverage. Retirees pay the full cost of dental coverage. Medical contributions vary based on plan and tier. For pre-65 retirees, the County explicitly contributed an average of 15% of the cost for the AvMed POS plan, and 33% for the AvMed HMO High and AvMed HMO Low plans. The post-65 retiree contributions also vary by plan and tier with the County contributing an average of 33% of the entire plan cost. However, it is the County's policy that after fiscal year 2008 its per capita contribution for retiree health care benefits will remain at the 2008 dollar level. As a result, the retiree contributions will be increased to the extent necessary so that they are sufficient to provide for the difference between the gross costs and the fixed County contributions.

For fiscal year 2012, the County contributed $25,977,000 to the plan. The postretirement medical and dental benefits are currently funded on a pay-as-you go basis (i.e., the County funds on a cash basis as benefits are paid). No assets have been segregated and restricted to provide postretirement benefits.

Annual OPEB Cost and Net OPEB Obligation. The County's annual OPEB cost (expense) is calculated based on the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The Department's annual OPEB cost (allocated by the County based on the number of covered employees from the Department in proportion to the County's total eligible employees) for the fiscal years ended 2012 and 2011, respectively, and the related information for the plan are as follows (dollar amounts in thousands):

	2012	2011
Annual required contribution	$ 1,160	$ 912
Interest on net OPEB obligation	56	47
Adjustment to annual required contribution	(57)	(47)
Annual OPEB cost	1,159	912
Contributions made	874	627
Increase in net OPEB obligation	285	285
Net OPEB obligation—beginning of year	1,264	979
Net OPEB obligation—end of year	$ 1,549	$ 1,264

The Department recorded the net OPEB obligation of $1,549 thousand and $1,264 thousand, as other long-term liabilities, for fiscal years ended 2012 and 2011, respectively. The Department's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal years ended 2012, 2011 and 2010 are as follows (dollar amounts in thousands):

Fiscal Year Ended	Annual OPEB Cost	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
09/30/2012	$1,159	75.4%	$1,549
09/30/2011	$912	68.8%	$1,264
09/30/2010	$854	67.9%	$979

Funded Status and Funding Progress. The funding status and funding progress was not determined separately for the Department. The schedule below shows the balance of the actuarial accrued liability (AAL) for the overall County, all of which was unfunded as of September 30, 2012 (dollar amounts in thousands).

Schedule of Funding Progress for the Retiree Health Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as % of Covered Payroll ([b-a]/c)
10/1/2011	$0	$418,581	$418,581	0%	$2,155,921	19%

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events in the future. Amounts determined regarding the funded status of the plan and the annual required contributions by the County are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, provides multi-year trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions. Projections of benefits are based on the substantive plan (the Plan as understood by the employer and plan members) and include the types of benefits in force at the valuation date and the pattern of sharing benefit costs between the County and the plan members to that point. Actuarial calculations reflect a long-term perspective and employ methods and assumptions that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets.

The actuarial cost method used in the valuation to determine the Actuarial Accrued Liability (AAL) and the Actuarial Required Contribution (ARC) was the Projected Unit Credit Method with service prorated. Under this method, the total present value of benefits is determined by projecting the benefit to be paid after the expected retirement date (or other event) and discounting those amounts to the valuation date. The normal cost is computed by dividing the total present value of benefits by the participant's total service (actual plus expected service) at retirement. The AAL under this method represents the total present value of benefits multiplied by the ratio of the participant's actual service to date and divided by expected service at retirement. The AAL for participants currently receiving payments and deferred vested participants is calculated as the actuarial present value of future benefits expected to be paid. No normal cost for these participants is payable. The AAL and normal costs were calculated at the measurement date, which is the beginning of the applicable fiscal year using standard actuarial techniques.

The following summarizes other significant methods and assumptions used in valuing the AAL and benefits under the plan:

Actuarial valuation date	10/01/2011
Actuarial cost method	Projected unit credit, benefits attributed from date of hire to expected retirement age
Amortization method	Level percentage of payroll, closed, over 30 years
Remaining amortization period	26 years
Actuarial assumptions:	
Discount rate	4.40%
Inflation rate	3.00%
Investment return	4.40%
Payroll growth assumption	3.00%
Post retirement benefit increases	The County's contribution to retiree benefits will remain at the 2008 level
Health care cost trend period	Grades down over six years by 0.5% per year
Health care cost trend rates	8% initial to 5% ultimate
Mortality table	RP 2000 Projected to 2015 using scale AA

The inflation rate assumption is consistent with the Consumer Price Index (CPI) increase at 3% each year. The discount rate used for the valuation was determined based on the long term investment yield on the investments used to finance the payment of benefits. For this valuation it is assumed that postemployment benefits are paid from general assets which generally consist of short-term investments.

Further, the participation assumption used in the valuation (the assumed percentage of future retirees that participate and enroll in the health plan) is 20% for those prior to age 55 (50 if special risk) and 60% until age 65. Once reaching Medicare eligibility, the participation rate is assumed to be 20%.

The valuation assumes that the County will continue to fund the liability on a pay-as-you-go basis and that the County's policy is that its per-capita contribution for retiree benefits will remain at the 2008 level. As a result, the retiree contributions will be increased to the extent necessary so that they are sufficient to provide for the difference between the gross costs and the fixed County contributions.

9. Related Party Transactions

The Department provides waste collection and waste disposal services to other County departments as part of the normal course of business, based on regular retail rates. The Department recognized $5.2 and $5.3 million in revenues for fiscal years ended 2012 and 2011, respectively. These revenues represent total services rendered and rental of an administration building to other County departments.

Various departments within the County provide goods, administrative services, public safety, facility rental, fleet management, and various other services to the Department. Charges for these services are determined using direct and indirect cost allocation methods or amounts determined based upon direct negotiations between the related parties.

The following represents the major providers of these services and their respective charges, which are included in the accompanying statements of revenues, expenses and changes in fund net assets, for the years ended September 30 as follows (in thousands):

	2012	2011
General County Support Charge	**$ 4,371**	$ 4,947
GSA-Risk Management	**2,209**	2,035
GSA-Fleet Management & Other	**36,718**	32,935
Information Technology Dept.	**2,913**	2,950
Other County Departments	**543**	462
Total	**$ 46,754**	$ 43,329

10. Closure and Postclosure Care

At September 30, 2012 and 2011, the Department's total liability for landfill closure and postclosure care costs was $94.3 and $95.1 million, respectively. For the fiscal year ended September 30, 2012, $71.5 million relates to active landfills and $22.8 million relates to inactive landfills. For the fiscal year ended September 30, 2011, $68.8 million relates to active landfills and $26.3 million relates to inactive landfills.

This liability arises from the fact that current County, State and Federal laws and regulations require the County to place final covers on landfill cells as they are closed, and perform certain maintenance and monitoring functions at the landfill cell sites for thirty years after closure. These laws and regulations also require the County, on an annual basis, to disclose the extent of its financial responsibility for the costs involved, which are referred to as "closure and postclosure care" costs. The County has filed the corresponding reports to comply with these requirements as of September 30, 2012.

The County accounts for and discloses closure and postclosure care costs in accordance with GASB Statement No.18 *Accounting for Municipal Solid Waste Landfill Closure and Postclosure Care Costs* (the "Statement"). The Statement requires, among other matters: (1) that the liability for closure and postclosure care costs be estimated based on applicable federal, state or local regulations that were in existence as of the date of the statement of net assets (2) that the cost estimates be reevaluated and adjusted on an annual basis for changes due to inflation or deflation, or for changes due to advancements in technology (3) that a portion of these estimated closure and postclosure costs be recognized in each operating period that the landfill is active, based on the amount of waste received during the period (included in the capacity used to date), even though the majority of the costs will not be disbursed until after the landfill cells are closed, and (4) that changes in the estimated costs for closure and postclosure care which occur after the landfill stops accepting waste be recognized entirely in the period of the change.

Expenses for closure and postclosure care are funded from the proceeds of bonds, of which the principal and interest are subsequently repaid from Utility Service Fees assessed on all countywide water and wastewater users, in accordance with Chapter 24 of the Dade County Code (the "Code"). Under the Code, funds collected from this fee can be used for solid waste landfill closure and postclosure care costs that are the financial responsibility of the County, for environmental remediation at landfill sites, and for land acquired to protect groundwater. The Department's Statements of Net Assets include $9.7 and $9.8 million in restricted net assets for groundwater protection as of September 30, 2012 and 2011, respectively.

Closure and Postclosure Care for Active Landfills

Active landfills consist of the North Dade Landfill (ND), the South Dade Landfill (SD), and the Resources Recovery Ashfill (RR). The change in the closure and postclosure care liability for these landfills for fiscal years ended 2012 and 2011 are summarized as follows (in millions):

	ND	SD	RR	Total
Balance, 10/01/2011	$31.8	$25.3	$11.7	$68.8
Amortization (credit)	0.5	1.7	0.5	2.7
Other Reductions	-	-	-	-
Balance, 09/30/2012	$32.3	$27.0	$12.2	$71.5

	ND	SD	RR	Total
Balance, 10/01/2010	$30.9	$26.2	$13.5	$70.6
Amortization (credit)	0.9	(1.2)	(1.5)	(1.8)
Other Reductions	-	0.3	(0.3)	-
Balance, 09/30/2011	$31.8	$25.3	$11.7	$68.8

The liability balance of $71.5 million as of September 30, 2012, represents an increase of $2.7 million when compared to the preceding year. This increase resulted from the effects of an accrual of $2.7 million expense in the current period to adjust the recorded liability to the amount required to be recognized based on the current estimates for closure and postclosure care costs and the use of 90.4% of the existing landfill capacity.

There were no unrecognized costs as of September 30, 2012. Unrecognized costs are recognized on a current basis as the existing estimated capacity of 3.5 million tons at September 30, 2012 is used. This existing estimated capacity is expected to last until 2018 based on current waste flows.

Closure and Postclosure Care for Inactive Landfills

Inactive landfills consist of the Main Landfill at 58th Street (Main), the Ojus Landfill (Ojus), the Old South Dade Landfill (OSD) and Olinda Park Closure Enhancement (Olinda).

The bond indenture specifically excludes current period expenses related to the assumption of liabilities for inactive landfills from the definition of operating expenses for purposes of determining the Department's net revenue coverage ratio (Note 4).

The change in the closure and postclosure care liability related to inactive landfills for fiscal years ended 2012 and 2011 are summarized as follows (in millions):

	Main	Ojus	OSD	Olinda	Total
Balance, 10/01/2011	$ 7.3	$ 0.8	$ 16.6	$ 1.6	$ 26.3
Expense/(Credit)	0.3	-	(2.3)	-	(2.0)
Other Reductions	(0.4)	-	(0.6)	(0.5)	(1.5)
Balance, 09/30/2012	$ 7.2	$ 0.8	$ 13.7	$ 1.1	$ 22.8

	Main	Ojus	OSD	Olinda	Total
Balance, 10/01/2010	$ 7.8	$ 0.8	$ 16.8	$ -	$ 25.4
Expense/(Credit)	0.1	-	0.3	1.6	2.0
Other Reductions	(0.6)	-	(0.5)	-	(1.1)
Balance, 09/30/2011	$ 7.3	$ 0.8	$ 16.6	$ 1.6	$ 26.3

The liability balance of the inactive landfills for fiscal years ended 2012 and 2011 is $22.8 and $26.3 million, respectively. When compared to the preceding year, the liability balance decreased by $3.5 million reflecting the effects of (1) the reduction to expense (credit) recognized in the current period of approximately $2.0 million to adjust the recorded liability to the amount required to be recognized based on the current estimates for postclosure care costs (2) reductions of approximately $1.5 million for amounts paid or due to vendors actually performing closure and postclosure work during the current period.

Refer to Note 12 for additional information regarding beginning balance, additions, reductions, and ending balance of liability for closure and postclosure care costs.

11. Pollution Remediation Obligations

The Department conducts typical remediation activities such as site investigation, planning and design, cleanup and site monitoring activities. The Department has the knowledge and expertise to estimate the remediation obligations outlined herein based on prior experience in identifying and funding similar remediation activities.

Generally, remediation activities are conducted if a landfill is not meeting water quality standards at its compliance point or boundary and/or there is potential exposure of people or the environment to contaminants in soils. Federal and State laws would trigger remedial action when water quality and/or soil is impacted. In the instance where a site (former dump) has impacted soils and an exposure route is possible, at the federal level, the Resource Conservation and Recovery Act (RCRA) is the operative regulation.

As of September 30, 2012, the Department had identified 6 events leading to remediation obligations. One of these related to the destruction of freshwater and costal wetlands at the Old South Dade Landfill. The rest of these related to ammonia-nitrogen contamination found in the groundwater at the 58th Street Landfill, North Dade Landfill, Old South Dade Landfill, Resource Recovery and South Dade Landfill. The Department has included the corresponding remediation costs in connection with these events in the closure and postclosure care estimates impacting the liability for closure and postclosure care costs balance ($94.3 million) as of September 30, 2012 (See Note 10).

Remediation obligation estimates are subject to change over time. Costs may vary due to price fluctuations, changes in technology, results of environmental studies, changes to statutes or regulations and other factors that could result in revisions to the estimates. Prospective recoveries from responsible parties could reduce the Department's obligation. Capital assets may be created when pollution remediation outlays are made under certain specific circumstances.

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12. Changes in Long-term Liabilities for Fiscal Years 2012 and 2011 are as Follows:

(In Thousands)

	Beginning Balance at 10/1/2011	**Additions**	**Reductions**	**Ending Balance at 9/30/2012**		**Due Within One Year**	
Bonds and loans payable:							
Revenue Bonds & County Special Obligation Bonds	$ 151,127	-	$ (14,287)	$ 136,840		$ 15,926	(b)
Accretion on Series 2005 Capital Appreciation Bonds	11,395	1,769	-	13,164		-	
Loans payable (a)	5,025	-	(1,313)	3,712		1,150	(b)
Less deferred amounts:							
For issuance Bond Discount-Series 1998	(379)	-	53	(326)		-	
Deferred gain on loan restructure	203	-	(49)	154	(d)	-	
Add unamortized bond premium							
1997 BANS	74	-	(11)	63		-	
Series 2001	270	-	(30)	240		-	
Series 2005	1,895	-	(100)	1,795		-	
County SOB Series 2002A (Subordinate Debt)	56	-	(42)	14		-	
County SOB Series 2004B (Subordinate Debt)	22	-	(8)	14		-	
Total	169,688	1,769	(15,787)	155,670		17,076	
Other liabilities:							
Compensated absences and Departure Incentive Program	15,562	4,342	(4,750)	15,154		3,656	
Liability for landfill closure/postclosure care costs	95,134	-	(883)	94,251		1,984	
Arbitrage Liability	28	195	(28)	195	(c)	-	
Unearned Revenue	63	-	(3)	60	(c)	-	
Other Post Employment Benefits	1,264	285	-	1,549		-	
Total long-term liabilities (incuding current portion)	$ 281,739	$ 6,591	$ (21,451)	$ 266,879		$ 22,716	

(a) Series 2011A Loan Agreement (formerly County's Sunshine State Loan Series I, 2005 and 2006).

(b) See current portion of bonds & loans payable fiscal year ended 9/30/2012.

(c) See Statement of Net Assets as of 9/30/2012, total $255.

(d) Represents Gain on Sunshine Loans restructure to be amortized in future periods.

	(In Thousands)						
	Beginning Balance at 10/1/2010	**Additions**	**Reductions**	**Ending Balance at 9/30/2011**		**Due Within One Year**	
Bonds and loans payable:							
Revenue Bonds & County Special Obligation Bonds	$ 167,622	-	$ (16,495)	$ 151,127		$ 16,055	(b)
Accretion on Series 2005 Capital Appreciation Bonds	9,410	1,985	-	11,395		-	
Loans payable (a)	6,477	-	(1,452)	5,025		1,313	(b)
Less deferred amounts:							
For issuance Bond Discount-Series 1998	(432)	-	53	(379)		-	
Deferred gain on loan restructure	-	203	-	203	(e)	-	
Add unamortized bond premium							
1997 BANS	84	-	(10)	74		-	
Series 2001	301	-	(31)	270		-	
Series 2005	1,995	-	(100)	1,895		-	
County SOB Series 2002A (Subordinate Debt)	129	-	(73)	56		-	
County SOB Series 2004B (Subordinate Debt)	32	-	(10)	22		-	
Total	185,618	2,188	(18,118)	169,688		17,368	
Other liabilities:							
Compensated absences and Departure Incentive Program	15,380	5,173	(4,991)	15,562		3,853	
Liability for landfill closure/postclosure care costs	96,096	180	(1,142)	95,134		2,423	
Arbitrage Liability	328	-	(300)	28	(d)	28	(d)
Unearned Revenue	68	63	(68)	63	(c)	-	
Other Post Employment Benefits	979	285	-	1,264	(c)	-	
Total long-term liabilities (incuding current portion)	$ 298,469	$ 7,889	$ (24,619)	$ 281,739		$ 23,672	

(a) Series 2011A Loan Agreement (formerly County's Sunshine State Loan Series I, 2005 and 2006).

(b) See current portion of bonds & loans payable fiscal year ended 9/30/2011.

(c) See Statement of Net Assets as of 9/30/2011, total $1,327.

(d) Represents arbitrage liability which is due for filing on 10/2011. Included in other current liability – other.

(e) Represents Gain on Sunshine Loans restructure to be amortized in future periods.

13. Resources Recovery Facility

The County has an agreement for the operation of the County owned resource recovery facility (the "Facility"). The Fourth Amended and Restated Operations and Management Agreement (the "O&M Agreement", "Agreement") was executed on July 27, 2012 (but is effective as of October 1, 2009) by and between the County and Covanta Dade Renewable Energy Ltd., a Florida limited partnership, for the purpose of amending and restarting in its entirety that certain Third Amended and Restated Operations and Management Agreement dated as of September 1, 1996 between the County and the Company. The Agreement expires on October 31, 2023. The term of the Agreement can be automatically extended for up to four additional five-year renewal terms that would expire on October 31, 2043. Solid waste is delivered to the Facility from the County's transfer stations and directly from municipal customers and private haulers. The garbage and trash are processed into refuse derived fuel and then burned in four boilers that produce steam to turn two turbine generators.

Payments made to Covanta under the Amended Agreement are primarily for Tipping Fees on the waste processed through the Facility, subject to certain delivery and processing guarantees. Covanta is also paid a 50% share of the revenues from the sale of electricity generated by the plant and purchased by Florida Power Corporation under a power purchase agreement (expiring November 30, 2013). Accordingly, these payments are treated as an operations and maintenance expense.

In order to finance ongoing plant enhancements over the years, the County issued various debt instruments on behalf of the Company, which were refunded from the proceeds of the $182.7 million Dade County, Florida Resource Recovery Facility Refunding Revenue Bonds issued in 1996 (the "Series 1996 Bonds"). The County contributed approximately $5 million to cover a portion of the Series 1996 Bonds issuance costs. This portion of the issuance costs is included in the Department's other assets and is being amortized over the life of the bonds. Concurrent with the issuance of the Series 1996 Bonds, the Company issued a promissory note in favor of the County for the original principal amount of the Series 1996 Bonds. The County assigned this note to the Trust Estate created pursuant to the Trust Indenture, which provides that the Series 1996 Bonds are payable solely from and secured only by an irrevocable pledge of a lien on the Trust Estate. The County has not pledged any revenues or property (including the Facility) as security for the Series 1996 Bonds. Therefore, the County's obligation for the Series 1996 Bonds is strictly limited to stipulations in the Amended Agreement, which guarantee a minimum amount of annual Tipping Fees. The Series 1996 Bonds are a debt obligation of Covanta, and are, therefore, not reflected in the accompanying financial statements. The principal balance of the bonds outstanding at September 30, 2012 is $21.7 million.

The Bond proceeds were loaned to the Company pursuant to a September 1, 1996 Loan Agreement. This Loan Agreement requires the Company to assign all Tipping Fees and other operating revenues directly to the Trust Estate in an amount that, at a minimum, will equal the debt service requirements on the Series 1996 Bonds.

The County has guaranteed to deliver 240,000 Tons per year (TPY) in Recyclable Trash to Covanta. In addition, the County has guaranteed 732,000 TPY in On-Site Waste. This On-Site Waste Guaranteed Tonnage is to be fulfilled with Garbage. The sum of the Annual On-Site Waste Guaranteed Tonnage and the Annual Recyclable

Trash Guaranteed Tonnage shall not be less than 972,000 Tons per Annual Period, unless the Solid Waste shall not be deemed to be available to the County for Delivery to the Facility if such Solid Waste is unavailable for circumstances beyond the County's control and not due to actions taken by the County.

For fiscal years ended 2012 and 2011, the County recorded expenses of $60.8 and $56.8 million, respectively, in Tipping Fees to the Operator. The rates charged for Tipping Fees as of September 30, 2012 were $47.14 per ton for on-site waste processing other than tires and $84.99 per ton for clean shredded tires. These rates are adjusted annually for the consumer price index. Fuel and other by-products not returned to County facilities from the Recyclable Trash received a credit of $1.96 per ton as a recycle credit fee. In addition, the County also paid a Capital Improvements Project fee of $2.5 million for the year.

Concurrent with the issuance of the Series 1996 Bonds, the County entered into an interest rate swap agreement for purposes of converting the fixed interest payments on the Series 1996 Bonds into variable rate payments. This Agreement, which is also part of the Trust Estate, has no effect on the County's obligation under the Trust Indenture to pay the principal and interest on the Series 1996 Bonds. It provides for the Trustee to pay interest calculated at a variable rate to the counterparty in the swap. The counterparty, in turn, is required to pay the Trustee interest at a fixed rate. Should interest rates increase significantly or there be a significant reduction in marginal income tax rates, the County could be exposed to increased payment obligations through increased Tipping Fees.

In accordance with GASB, Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), the fair value of the interest rate swap entered into concurrently with the issuance of the Series 1996 Bonds has been included in the Statements of Net Assets as an investment in derivative instruments as of September 30, 2012 and 2011, respectively (see Note 15).

In the event of termination of the O&M Agreement, the County must find a successor operator. This operator will be required to assume the Company's obligations under the Amended Agreement and Trust Indenture, or pay the Trustee an amount equal to the higher of (1) the Unamortized Capital Cost or (2) the minimum tipping fee amounts due under Section 7.1.9 of the Agreement. The final estimated Tipping Fees of $56, 440 thousand required by the Agreement, is due for fiscal year 2013. The Series 1996 Bonds will mature on October 1, 2013.

The estimated payment due represents the County's share, net of the Company's contract obligations and the effect of the fixed to variable rate swap arrangements generating positive cash flows. The amount is based on tonnage in excess of 732,000 tons of on-site waste plus 240,000 tons of recyclable trash to be processed in fiscal year 2013, pursuant to the Fourth Amended and Restated Operations & Management Agreement. The amount was computed using rates effective October 1, 2012.

14. Commitments and Contingencies

Contract Disposal

During fiscal year 2012, the Department maintained a long-term waste disposal contract with a private regional disposal facility provider, Waste Management Inc. of Florida ("Waste Management"). The Waste Management contract is effective until September 30, 2015, with two additional five-year renewal options. Under the terms of the contract, the County must deliver or direct to be delivered, a minimum of 100,000 tons per year to a landfill located in the Town of Medley, Florida. The County may dispose of a combined total of up to 500,000 tons per year at that site or the Central Sanitary Landfill located in Pompano Beach, Florida.

The contract fixed the disposal fee paid by the County at $24.50 per ton thru October 1, 1999, annual adjustments thereafter are based on increases in the consumer price index (CPI). The disposal fee paid by the County for the first 100,000 tons in fiscal years 2012 and 2011 was $33.66 and $32.42 per ton, respectively. As of September 30, 2012, the County was in compliance with this contract.

Closure Grant Agreements

Munisport Closure Grant – On March 26, 2004, the County and the City of North Miami, Florida (the "City") entered into an agreement (the "Agreement"). Under the Agreement, the County agreed to provide certain funds to the City for the cost of financing the remediation and closure of the City's Munisport Landfill Site ("Munisport"). Therefore, in fiscal year 2005, the Department transferred $31.2 million to an interest bearing escrow account for the purposes set forth in the Agreement.

The terms of the Agreement prescribe reimbursement to the City from the escrow account based on invoices or draw requests for eligible costs. Because of the cost-reimbursement nature of the Agreement, the Department recognizes expenses as the City incurs and presents documentation for reimbursement of eligible reimbursable costs.

During Fiscal Year 2012, $5.2 million of reimbursable costs were incurred by the City, leaving a remaining balance of approximately $19 million in the escrow account (after recognizing approximately $76 thousand in interest income for fiscal year 2012) at September 30, 2012. The escrow account balance is reported as part of restricted cash and cash equivalents in the Department's financial statements.

During Fiscal Year 2011, $766 thousand of reimbursable costs were incurred by the City, leaving a remaining balance of approximately $24 million in the escrow account (after recognizing approximately $97 thousand in interest income for fiscal year 2011) at September 30, 2011. The escrow account balance is reported as part of restricted cash and cash equivalents in the Department's financial statements.

Homestead Closure Grant – On November 20, 2006, the County and the City of Homestead, Florida ("Homestead") entered into a landfill closure grant agreement (the "Agreement"). This agreement superseded all prior grant agreements between the County and Homestead for landfill closure. Upon the execution of a solid waste disposal services extension agreement by Homestead, which will be valid through October 1, 2025, the County and Homestead created and the County funded an escrow account in the amount of $7.5 million for the purposes of (1) construction, operation, remediation and closure of the Landfill required by the

Miami-Dade Department of Environmental Resources Management (DERM); and (2) payment of all or any part of the principal and interest on any short or long term indebtedness owed by Homestead for construction, operation, remediation and closure of the Landfill required pursuant to item (1) above. On January 22, 2007, the Department transferred $7.5 million to an interest bearing escrow account for the purposes set forth in the Agreement.

The terms of the Agreement prescribe reimbursement to Homestead from the escrow account based on invoices or draw requests for eligible costs. Because of the cost-reimbursement nature of the Agreement, the Department recognizes grant expenses as Homestead incurs and presents documentation for reimbursement of eligible reimbursable costs.

During Fiscal Year 2012, no reimbursable costs were incurred by the City, leaving a remaining balance of approximately $2 thousand in the escrow account (after recognizing approximately $0.36 cents in interest income for fiscal year 2012) at September 30, 2012. The escrow account balance is reported as part of restricted cash and cash equivalents in the Department's financial statements.

During Fiscal Year 2011, no reimbursable costs were incurred by the City, leaving a remaining balance of approximately $2 thousand in the escrow account (after recognizing approximately $0.37 cents in interest income for fiscal year 2011) at September 30, 2011. The escrow account balance is reported as part of restricted cash and cash equivalents in the Department's financial statements.

Litigation

The Department is subject to legal proceedings, which occur in the normal course of operations. In the opinion of the Department's legal counsel, the ultimate resolution of these legal proceedings are not likely to have a material, adverse impact on the financial position of the Department.

Construction

The Department has contractual commitments of approximately $1.5 million for construction projects at September 30, 2012.

15. Derivative Instruments

The Department is currently a party to an interest rate swap agreement (See Note 13). This swap agreement is related to Resource Recovery Facility Refunding Revenue Bonds issued by the County in 1996. The Department recognized a $999 thousand and $1.3 million decline in the fair value of the swap for fiscal years ended 2012 and 2011, respectively, (reported as reductions in investment/interest income) resulting in a fair value recognition of $603 thousand and $1.602 million in investment in derivative instruments as of September 30, 2012 and 2011, respectively.

In accordance with GASB Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments* (GASB 53), information reflecting the fair value balance and notional amount of the derivative instrument outstanding, classification type, and the change in fair value of such derivative instrument for the fiscal years ended 2012 and 2011 are as follows:

	Changes in Fair Value		Fair Value at September 30, 2012	
Investment Derivative Instrument	**Classification**	**Amount (In $000's)**	**Classification**	**Amount (In $000's)**
The Department Pays-variable rate (BMA + Constant 1) (3) The Counterparty pays-fixed rate (5.5%) Interest Rate Swap	Investment revenue/(loss) (included in interest income)	($999)	Investment in Derivative Instruments	$603

Notional Amount as of September 30, 2012 (In $000's)	Effective Date	End Date	Counterparty	Counterparty Ratings as of 9/30/12	Associated Bond Series
$21,650	9/10/1996	10/1/2013	GBDP, L. P. (1)	Guarantor (2) AA+, WR, AA-	Resource Recovery Facility Refunding Revenue Bonds, Series 1996

1) The swap is guaranteed by General Re-Insurance.
2) General Re-Insurance's ratings - by S&P, Moody's (WR = withdrawn) and Fitch, respectively.
3) BMA – Bond Market Association (BMA) Index, formerly PSA.

	Changes in Fair Value		Fair Value at September 30, 2011	
Investment Derivative Instrument	**Classification**	**Amount (In $000's)**	**Classification**	**Amount (In $000's)**
The Department Pays-variable rate (BMA + Constant 1) (3) The Counterparty pays-fixed rate (5.5%) Interest Rate Swap	Investment revenue/(loss) (included in interest income)	($1,298)	Investment in Derivative Instruments	$1,602

Notional Amount as of September 30, 2011 (In $000's)	Effective Date	End Date	Counterparty	Counterparty Ratings as of 9/30/11	Associated Bond Series
$32,465	9/10/1996	10/1/2013	GBDP, L. P. (1)	Guarantor - (2) AA+, WR, AA-	Resource Recovery Facility Refunding Revenue Bonds, Series 1996

1) The swap is guaranteed by General Re-Insurance.
2) General Re-Insurance's ratings - by S&P, Moody's (WR = withdrawn) and Fitch, respectively.
3) BMA – Bond Market Association (BMA) Index, formerly PSA.

Credit Risk

Since the swap depends upon the performance of the Counterparty, there is a potential exposure to credit risk. This risk is based on the possibility of the Counterparty's failure to perform according to its contractual obligation. The measurement of this risk as of September 30, 2012 and 2011 is the fair value of the swap as of that date (see tables above). At September 30, 2012 and 2011, market-based valuations were performed by the County's swap advisor using market prices in effect as of the close of business September 30, 2012 and 2011 to determine the fair value of the swap as of those dates. The valuation included the current interest period accrual which would be payable on the next interest payment date. The pricing valuations were based upon confirmation of transactional information, including the notional principal amortization schedule furnished by the County, comparing the rate on the swap with market rates on the valuation date and present-valuing the differential between the swap and market rates back to the valuation shown above, using accepted market discount rates for the amortization date. As per market convention, this pricing reflects the valuation of the financial elements of the transaction. To mitigate credit risk, the County imposes strict credit standards for swap counterparties. All swap counterparties for extended term swaps must be rated at least in the AA category by both Standard & Poor's Credit Market Services and Moody's Investors Service. The swap with GBDP, L. P. is guaranteed by General Re-Insurance. General Re-Insurance's ratings as of September 30, 2012, were AA+ from Standard and Poor's Credit Market Services, withdrawn by Moody's Investors Service and AA- from Fitch Ratings.

Interest Rate Risk

There is exposure to interest rate risk on this pay-variable, receive-fixed swap; as the BMA Index increases, the net payment on the swap increases. However, this exposure is passed on to the Facility Operator Covanta (see Note 13) via deductions from the tipping fee the Department pays the Trustee.

Foreign Currency Risk

There is no exposure to foreign currency risk.

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Required Supplementary Information

Schedule of Funding Progress
For the Miami-Dade County Retiree Health Plan (In thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Estimated Covered Payroll (c)	UAAL as % of Covered Payroll ([b-a]/c)
10/1/2011	$0	$418,581	$418,581	0%	$2,155,921	19%
10/1/2010	$0	$356,283	$356,283	0%	$2,256,842	16%
10/1/2009	$0	$336,700	$336,700	0%	$2,191,109	15%

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Supplemental Schedules
Supplementary Financial Information

The following section includes the financial statements of the Solid Waste Disposal and Solid Waste Collection Systems. These systems' financial statements, identified as Supplemental Schedules, are furnished solely as supplementary information and are not required by accounting principles generally accepted in the United States of America.

Disposal System

Supplemental Schedules of Net Assets

	September 30, 2012	September 30, 2011
	(In thousands)	
Assets		
CURRENT ASSETS		
Cash and cash equivalents	$ **1,103**	$ 9,732
Investments	**120,258**	90,677
Accounts receivable, net	**12,369**	7,917
Loans receivable from other County funds	**4,244**	4,244
Total Unrestricted Current Assets	**137,974**	112,570
Current Restricted Assets		
Cash and cash equivalents	**8,074**	7,991
Accounts receivable	**9,674**	9,830
Total Restricted Current Assets	**17,748**	17,821
Total Current Assets	**155,722**	130,391
NON-CURRENT ASSETS		
Investment in Derivative Instruments	**603**	1,602
Restricted Assets		
Cash and cash equivalents	**12,145**	27,750
Investments	**107,417**	105,518
Total Restricted Non-Current Assets	**119,562**	133,268
Capital Assets, net	**109,360**	121,231
Total Capital Assets, net	**109,360**	121,231
Other Assets		
Loans receivable from other County funds	**18,884**	23,128
Unamortized bond issuance cost and other	**4,292**	4,669
Total Other Assets	**23,176**	27,797
Total Non-Current Assets	**252,701**	283,898
Total Disposal Assets	$ **408,423**	$ 414,289

Continued

See accompanying independent auditor's report.

	September 30, 2012	September 30, 2011
	(In thousands)	
Liabilities and Net Assets		
CURRENT LIABILITIES		
Payable from Unrestricted Assets		
Accounts payable and accrued expenses	$ **7,203**	$ 7,174
Due to other County funds	**1,428**	1,421
Compensated absences	**1,329**	1,232
Other current liabilities	**164**	198
Liability for closure and postclosure care costs	**1,984**	2,423
Total Payable from Unrestricted Assets	**12,108**	12,448
Payable from Restricted Assets		
Accounts payable	**92**	63
Accrued interest payable	**4,626**	4,473
Bonds & loans payable	**13,030**	13,285
Total Payable from Restricted Assets	**17,748**	17,821
Total Current Liabilities	**29,856**	30,269
Long-Term Liabilities		
Long-term portion of bonds and loans payable, net of unamortized discounts, premiums and deferred charges	**135,036**	144,617
Liability for closure & postclosure care costs	**92,267**	92,711
Compensated absences	**4,169**	3,773
Other long-term liabilities	**255**	63
Other post employment benefits	**805**	657
Total Long-Term Liabilities	**232,532**	241,821
Total Disposal Liabilities	**262,388**	272,090
Net Assets		
Total Disposal Net Assets	$ **146,035**	$ 142,199

Loans receivable from other County funds balance (current $3,946 and long term $17,560) will be eliminated in the combined Statement of Net Assets presentation.

See accompanying independent auditor's report.

Disposal System

Supplemental Schedules of Revenues, Expenses and Changes in Fund Net Assets

	For the Fiscal Years Ended September 30, 2012	2011
	(In thousands)	
Operating Revenues		
Solid waste disposal services	$ **57,749**	$ 56,297
Utility service fees	**21,692**	22,500
Electricity sales	**30,703**	31,469
Other operating revenues	**13,296**	13,505
Total Disposal Operating Revenues	**123,440**	123,771
Operating Expenses		
Landfill & disposal operations, net of change in closure & postclosure care cost estimates for active landfills	**17,383**	14,029
Waste-to-energy	**80,264**	79,873
Transfer operations	**21,024**	20,142
Recycling	**698**	670
Facility maintenance	**2,436**	2,429
Enforcement and environmental compliance	**1,888**	2,080
General and administrative	**14,408**	13,710
Total	**138,101**	132,933
Depreciation	**15,018**	17,594
Closure and Postclosure Care Costs (Recovery) for Inactive Landfills	**(1,983)**	1,975
Total Disposal Operating Expenses	**151,136**	152,502
Disposal Operating Loss	**(27,696)**	(28,731)
Non-Operating Revenues (Expenses)		
Interest income	**(281)**	(76)
Interest expense	**(8,328)**	(8,719)
Closure grants	**(5,477)**	(766)
Other Income (expense), net	**(20)**	16
Total Disposal Non-Operating Expenses, Net	**(14,106)**	(9,545)
Transfer Out	**-**	(1,383)
Changes in Disposal Fund Net Assets	$ **(41,802)**	$ (39,659)

See accompanying independent auditor's report.

Waste Collection System

Supplemental Schedules of Net Assets

	September 30, 2012	September 30, 2011
	(In thousands)	
Assets		
CURRENT ASSETS		
Cash and cash equivalents	$ **527**	$ 5,587
Investments	**57,440**	51,870
Accounts receivable, net	**3,352**	2,884
Due from other governments	**164**	138
Total Unrestricted Current Assets	**61,483**	60,479
Current Restricted Assets		
Cash and cash equivalents	**114**	144
Investments	**203**	295
Total Restricted Current Assets	**317**	439
Total Current Assets	**61,800**	60,918
NON-CURRENT ASSETS		
Capital Assets, net	**31,450**	38,537
Total Capital Assets, net	**31,450**	38,537
Other Assets		
Unamortized bond issuance cost	**26**	64
Total Other Assets	**26**	64
Total Non-Current Assets	**31,476**	38,601
Total Collection Assets	$ **93,276**	$ 99,519

Continued

See accompanying independent auditor's report.

Waste Collection System

Supplemental Schedules of Net Assets

	September 30, 2012	September 30, 2011
	(In thousands)	
Liabilities and Net Assets		
CURRENT LIABILITIES		
Payable from Unrestricted Assets		
Accounts payable and accrued expenses	$ **2,726**	$ 2,617
Due to other County funds	**4,153**	4,137
Compensated absences	**2,327**	2,621
Other current liabilities	**256**	260
Total Payable from Unrestricted Assets	**9,462**	9,635
Payable from Restricted Assets		
Accrued interest payable	**105**	179
Bonds and loans payable	**4,046**	4,083
Total Payable from Restricted Assets	**4,151**	4,262
Total Current Liabilities	**13,613**	13,897
Long-Term Liabilities		
Long-term portion of bonds and loans payable, net of unamortized discounts, premiums and deferred charges	**3,558**	7,703
Compensated absences	**7,329**	7,936
Due to other County funds	**17,560**	21,506
Other post employment benefits	**744**	607
Total Long-Term Liabilities	**29,191**	37,752
Total Collection Liabilities	**42,804**	51,649
Net Assets		
Total Collection Net Assets	$ **50,472**	$ 47,870

Due to other County funds balance (current $3,946 and long term $17,560) will be eliminated in the combined Statement of Net Assets presentation.

See accompanying independent auditor's report.

Waste Collection System

Supplemental Schedules of Revenues, Expenses and Changes in Fund Net Assets

	For the Fiscal Years Ended September 30,	
	2012	2011
	(In thousands)	
Operating Revenues		
Solid waste collection services	$ **141,983**	$ 142,305
Other operating revenues	**734**	868
Total Collection Operating Revenues	**142,717**	143,173
Operating Expenses		
Garbage collection	**38,963**	38,361
Trash collection	**22,653**	22,986
Recycling	**8,585**	8,390
Litter control	**1,147**	1,184
Enforcement and environmental compliance	**3,527**	3,688
General and administrative	**10,109**	12,657
Total	**84,984**	87,266
Depreciation	**7,973**	9,088
Total Collection Operating Expenses	**92,957**	96,354
Collection Operating Income	**49,760**	46,819
Non-Operating Revenues (Expenses)		
Interest income	**75**	215
Interest expense	**(482)**	(535)
Other income, net	**(1,113)**	483
Total Collection Non-Operating Revenues (Expenses), Net	**(1,520)**	163
Transfer Out	**-**	(924)
Changes in Collection Fund Net Assets	$ **48,240**	$ 46,058

See accompanying independent auditor's report.

Statistical Section

(UNAUDITED)

FINANCIAL TRENDS

This schedule contains trend information to assist the reader understand how the Department's financial performance and financial condition have changed over time (see Table I).

REVENUE CAPACITY

These schedules contain information to assist the reader assess the factors affecting the Department's ability to generate its most significant revenues by revenue type and source (see Tables IIIA, IIIB, V, VI, VII and XIV).

DEBT CAPACITY

This schedule presents information to help assist the reader assess the Department's current debt burden and the Department's ability to issue additional debt (see Table XII).

DEMOGRAPHIC AND ECONOMIC INDICATORS

This schedule presents information to assist the reader understand the socioeconomic environment in which the Department operates (see Table IX).

OPERATING INFORMATION

This schedule contains information about the Department's resources and operations to assist the reader understand the interaction of the activities it performs, the services it provides and the financial information presented herein (see Table XV).

MISCELLANEOUS INFORMATION

These schedules contain additional statistical information to the reader of these financial statements (see Tables II, IVA, IVB, VIII, X, XI and XIII).

TABLE I

Schedule of Revenues, Expenses & Changes in Fund Net Assets and Schedule of Net Assets (Unaudited)

Last Ten Years (In Thousands)

OPERATING REVENUE	FY 2003	FY 2004	FY 2005	
Tipping Fees	$52,722	$53,066	$74,407	
Medley Surcharge	513	715	841	
Electrical Revenue	19,195	16,593	17,504	
Utility Service Fee	14,824	15,798	16,657	
Disposal Facility Fee	8,157	8,286	8,955	
Collections Revenue	104,785	123,224	125,184	
Other Operating Revenue	3,946	4,290	4,167	
Total Operating Revenues	204,142	221,972	247,715	
OPERATING & MAINTENANCE EXPENSES				
Landfill Operations	12,375	13,992	21,299	
Transfer Operations	17,418	24,844	24,601	
Waste-to-Energy	65,383	64,748	64,191	
Garbage Collections	32,518	34,415	35,213	
Trash Collections	18,429	13,186	16,113	
Recycling	10,249	10,175	11,188	
Other Operating	28,419	28,906	31,826	
Total Operating Expenses	184,791	190,266	204,431	
Operating Income Before Depreciation & Other	19,351	31,706	43,284	
Depreciation	25,356	27,913	30,010	
Closure and postclosure costs (recovery) for inactive landfills	798	642	746	
Operating Income (Loss)	(6,803)	3,151	12,528	
NON-OPERATING REVENUE (EXPENSE)				
Interest Income (7)	1,958	1,201	3,084	
Interest Expense	(9,623)	(8,793)	(8,743)	
Operating Grants	429	260	-	
Other (1)/(2)/(3)/(4)	259	789	(13,635)	(1)
Non-Operating Income (Expense), Net	(6,977)	(6,543)	(19,294)	
Income (Loss) Before Transfers & Capital Contributions	(13,780)	(3,392)	(6,766)	
Transfers In (Out) (5)	-	-	-	
CAPITAL CONTRIBUTIONS (6)	973	-	-	
Changes in Fund Net Assets	($12,807)	($3,392)	($6,766)	
NET ASSETS				
Invested in Capital Assets, net of Related Debt	$107,846	$94,847	$51,983	
Restricted	70,143	73,663	101,847	
Unrestricted (Deficit)	(55,223)	(49,136)	(41,222)	
Total Net Assets	$122,766	$119,374	$112,608	

Source: Miami-Dade County's Public Works And Waste Management Department

Notes:
(1) For fiscal year 2005 this figure includes among others, hurricane expenses of approximately $5.2 million and closure grant of approximately $6.5 million.
(2) For fiscal year 2006 this figure includes among others, hurricane expenses of approximately $8.2 million and closure grant of approximately $1.5 million.
(3) For fiscal year 2007 this figure includes among others, hurricane reimbursements of approximately $18 million and closure grant of approximately $1.4 million.
(4) This figure includes closure grant in FY 2008 of approximately $1 million; FY 2009 is $5.6 million; FY 2010 is $1.9 million; FY 2011 is $766 thousand; FY 2012 is $5.5 million.

See accompanying independent auditor's report.

FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
$95,530	$73,097	$64,929	$59,521	$56,577	$55,659	$56,963
974	902	688	596	525	638	786
23,123	23,704	28,000	27,911	26,461	31,469	30,703
17,665	17,852	18,067	19,559	20,650	22,500	21,692
10,965	11,874	11,955	12,026	11,634	10,789	10,535
128,179	142,193	143,497	142,090	149,900	142,305	141,983
4,704	4,804	3,123	3,425	3,385	3,584	3,495
281,140	274,426	270,259	265,128	269,132	266,944	266,157
27,294	20,502	22,746	16,438	19,420	14,029	17,383
26,864	27,416	28,635	26,395	19,006	20,142	21,024
67,368	67,491	72,893	81,002	65,444	79,873	80,264
38,042	37,492	38,688	37,734	36,141	38,361	38,963
19,849	16,208	17,462	16,834	21,912	22,986	22,653
11,404	12,246	25,250	16,250	8,570	9,060	9,283
32,213	31,791	35,516	37,086	41,823	35,748	33,515
223,034	213,146	241,190	231,739	212,316	220,199	223,085
58,106	61,280	29,069	33,389	56,816	46,745	43,072
29,708	31,443	35,284	32,487	29,567	26,682	22,991
1,649	955	2,803	(7,211)	45	1,975	(1,983)
26,749	28,882	(9,018)	8,113	27,204	18,088	22,064
7,291	11,757	8,971	4,820	1,504	139	(206)
(12,207)	(11,044)	(10,166)	(9,348)	(8,381)	(9,254)	(8,810)
-	-	-	-	-	-	-
(10,119) (2)	16,660 (3)	(1,430)	(5,627)	(2,307)	(267)	(6,610)
(15,035)	17,373	(2,625)	(10,155)	(9,184)	(9,382)	(15,626)
11,714	46,255	(11,643)	(2,042)	18,020	8,706	6,438
-	-	2,582	2,239	-	(2,307)	-
-	-	216	739	-	-	-
$11,714	$46,255	($8,845)	$936	$18,020	$6,399	$6,438
$40,991	$56,871	$39,864	$39,343	$60,846	$55,208	$38,425
103,423	114,505	118,935	114,755	84,136	84,099	81,709
(20,092)	(799)	2,933	11,552	38,688	50,762	76,373
$124,322	$170,577	$161,732	$165,650	$183,670	$190,069	$196,507

(5) Transfers In are related to the gain for the sale of 58th ST Landfill to Parks Department in FY 2008 and Miami-Dade Police Department in FY 2009.
(6) For FY08 and FY09, capital contributions consist of GOB reimbursement for construction of Cell 5.
(7) Interest Income presented in FY 2010, FY 2011 and FY 2012 is net of earnings or losses from SWAP activity.

See accompanying independent auditor's report.

TABLE II

Solid Waste Stream Components Explained* (Unaudited)

Garbage	Trash	Construction and Demolition Debris (C&D)	Agricultural Waste
Source:			
Household and businesses.	Household and businesses.	Construction and demolition projects.	Farming.
Waste types:			
Paper, food waste, glass containers, meal cans, plastics, disposable diapers, aviation ash and recycling residue.	Paper, wood, yard trash, textiles, glass, plastics,metals, furniture and other large bulky waste items.	Concrete, brick, wood, metals, glass, and roofing materials	Spoiled or undesirable fruits and vegetables.
Characteristics:			
Contains waste materials that rot, smell, produce liquids, and dissolve in water. Has significant potential to contaminate ground and surface waters. If landfilled it should contain only minute amounts of yard trash.	Contains only minute amounts of food waste. Has lesser potential than garbage to contaminate ground and surface waters.	Generally inert material that does not degrade easily or dissolve in water.	These materials are high in organic content and degrade quickly.
Typical Management Methods:			
Recycling, Class I (lined) landfill or incinerator.	Recycling, Class III landfill (which may not require a liner), Class I lined landfill if yard trash is eliminated, or incinerator.	Recycling, C&D unlined landfill, Class III landfill, Class I landfill.	Typically spread on crop fields to increase organic content of soils.

IMPORTANT NOTE: If a particular waste stream component is mixed with a waste stream component that requires a more stringent method of disposal, the entire waste mix must be disposed of using the more stringent methods. For example: if garbage is mixed with trash the entire mix must be disposed of as garbage. Garbage disposal requirements are more stringent than those for trash alone.

* The above information is introductory in nature and is not intended as an exhaustive analysis.

** This category includes household hazardous waste which is exempt from regulation under RCRA due to small quantities generated by households. Such waste may be lawfully placed in a Class I landfill.

Special Waste	Bio-Medical Waste	Hazardous Waste
Source:		
Environmental clean-up utilities, governments and businesses.	Hospitals, clinics, doctor's offices, and medical research facilities.	Businesses, academic research facilities, and households.**
Waste types:		
Contaminated soil, sewage sludge, tires, sterilized medical waste, asbestos, and dead animals.	Dressing, sharps, body tissues, disposable glass or plastic containers, etc.	Corrosive, reactive, and toxic chemicals classified as hazardous wastes under the Resource Conservation and Recovery Act (RCRA)
Characteristics:		
Materials that require special handling due to their unique composition or concentration. Immediate cover is often required.	Materials with a high potential for spread of disease. Must be separated from other wastes.	Materials with a high potential to contaminate the environment. Human or animal contact with these materials is very dangerous. These materials are often highly flammable, toxic and/or corrosives.
Typical Management Methods:		
Class I landfill.	Medical waste incinerator. Ash or sterilized medical waste must be disposed of in a Class I landfill.	Fuel blending for reuse, chemical neutralization, hazardous waste incinerator, or hazardous waste depending on material type.

See accompanying independent auditor's report.

TABLE IIIA

Disposal System (Unaudited)

Tonnage

REVENUE TONS	FY 2003	FY 2004	FY 2005	FY 2006
Clean Yard Trash	96,967	53,707	36,454	37,464
Garbage	1,011,420	1,034,834	1,058,295	1,122,638
Trash (1)	725,796	657,097	673,696	849,707
Storm Related Waste	2,847	19,952	228,023	501,063
White Goods (7)	-	-	-	-
C & D	1	20	1	21
Whole Tires (2)	14,869	18,066	24,027	27,397
Special Waste (3)	7,960	6,929	5,875	3,936
Reduced Fee Cover Material	-	20,428	16,620	170,681
Non Profit Tonnage	-	-	-	-
Total Revenue Tons	1,859,860	1,811,033	2,042,991	2,712,907
Closure debris from RR ashfill to ND	-	33,442	-	-
WM furniture to ND	-	40	-	-
Total Tons	1,859,860	1,844,515	2,042,991	2,712,907
Equivalent Revenue Tons (4)	1,859,860	1,794,638	2,029,552	2,574,040
NET DISPOSED TONS:				
South Dade Landfill	429,150	503,846	740,783	873,997
North Dade Landfill	315,522	317,758	344,439	582,782
Resources Recovery Net Incinerated	582,394	495,023	495,477	533,633
Resources Recovery Ashfill	144,100	148,769	140,800	158,057
Contract Disposal:				
To Waste Management	143,107	130,319	114,487	247,894
To Wheelabrator	7,670	-	-	-
Total Net Ton’s Disposed	1,621,943	1,595,715	1,835,986	2,396,363

(1) Trash includes oversize tires to North Dade Landfill.
(2) Whole tires are accepted at Resources Recovery only.
(3) Special waste is accepted at South Dade Landfill only and includes ash, dead animals, asbestos, contaminated soil, oversize tires, sludge and sterile medical waste.
(4) Equivalent Revenue Tons figures reflect the tons necessary to generate the gross revenue received at $49.65 (FY 2003) - $62.59 (FY 2012) per ton.
(5) Resources Recovery initiated the Recyclable Trash Improvements facility May 1, 1997, which produces fuel pellets for cogeneration uses.
(6) For fiscal years starting with FY05, this figure includes biomass and primary fines to North Dade.
(7) Represents White Goods delivered by customer directly to disposal site.

See accompanying independent auditor’s report.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
28,512	22,617	17,036	13,165	11,368	9,261
1,144,741	1,172,158	1,060,515	1,058,725	1,038,068	1,052,932
660,917	576,408	493,571	473,275	445,178	442,723
-	-	-	-	-	-
-	32	38	10	8	27
6	26	-	3	32	10
15,859	9,471	7,698	5,688	4,141	2,923
2,864	3,505	2,814	2,110	1,584	1,358
605,812	39,739	59,921	6,553	62,086	-
-	-	4,170	3,210	3,475	3,086
2,458,711	1,823,956	1,645,763	1,562,739	1,565,940	1,512,320
-	-	-	-	-	-
-	-	-	-	-	-
2,458,711	1,823,956	1,645,763	1,562,739	1,565,940	1,512,320
1,960,985	1,791,122	1,593,673	1,555,679	1,512,414	1,509,234
537,675	486,491	321,500	371,126	268,850	319,859
254,285	203,310	172,498	185,632	121,087	137,483
534,934	570,064	750,480	545,019	718,994	866,543
164,439	173,854	160,349	151,992	188,732	135,630
187,258	183,810	147,221	210,172	183,568	106,476
-	-	-	-	-	-
1,678,591	1,617,529	1,552,048	1,463,941	1,481,231	1,565,991

See accompanying independent auditor's report.

TABLE IIIA

Disposal System (Unaudited)

Tonnage (continued)

	FY 2003	FY 2004	FY 2005	FY 2006
FACILITY RECYCLING				
Clean Yard Trash	7	-	-	-
Tires to Vendors	-	-	-	-
Metal to Vendors	36,024	34,978	30,319	29,924
White Goods to Vendor	-	7	-	-
RTI Biomass Fuel (5)/(6)	143,251	179,484	178,290	97,042
RTI Fines Recycling	-	-	-	-
RTI On-Site Biomass	-	-	-	-
RTI On-Site Fines Recycling	-	-	-	-
Total Facility Recycling	179,282	214,469	208,609	126,966
RESOURCES RECOVERY PUT OR PAY	1,221,605	1,183,575	1,122,880	1,241,000
TRANSFER STATION				
Central	234,982	232,381	183,042	214,439
West	293,371	278,503	299,472	304,329
Northeast	204,049	229,297	219,444	247,797
Total Transfer Station	732,402	740,181	701,958	766,565
Non Contractual Diversion	726,000	709,000	699,000	583,508

(1) Trash includes oversize tires to North Dade Landfill.
(2) Whole tires are accepted at Resources Recovery only.
(3) Special waste is accepted at South Dade Landfill only and includes ash, dead animals, asbestos, contaminated soil, oversize tires, sludge and sterile medical waste.
(4) Equivalent Revenue Tons figures reflect the tons necessary to generate the gross revenue received at $49.65 (FY 2003) - $62.59 (FY 2012) per ton.
(5) Resources Recovery initiated the Recyclable Trash Improvements facility May 1, 1997, which produces fuel pellets for cogeneration uses.
(6) For fiscal years starting with FY05, this figure includes biomass and primary fines to North Dade.
(7) Represents White Goods delivered by customer directly to disposal site.

See accompanying independent auditor's report.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
-	-	-	-	-	-
154	95	-	-	-	-
43,873	41,872	22,934	17,638	19,806	22,058
-	32	38	10	8	-
108,128	100,285	86,802	66,253	47,853	71,734
-	-	22,685	44,167	28,536	20,000
-	-	-	-	-	-
8,613	8,011	-	-	-	-
160,768	150,295	132,459	128,068	96,203	113,792
1,083,478	1,134,708	1,188,866	1,093,752	1,156,794	1,234,101
201,156	164,036	158,701	130,474	106,074	137,067
279,726	264,633	238,806	233,320	229,024	236,569
226,760	221,052	196,375	189,486	185,697	171,230
707,642	649,721	593,882	553,280	520,795	544,866
517,767	551,101	551,101	523,987	537,684	534,468

See accompanying independent auditor's report.

TABLE III B

Disposal System (Unaudited)

Revenue Tons Source

TONNAGE BY SOURCE	FY 2003	FY 2004	FY 2005	FY 2006
Municipalities:				
Bal Harbour Village (4)	5,762	5,855	6,069	6,056
Town of Bay Harbor Islands (4)	207	307	289	258
Village of Biscayne Park (4)	2,211	2,459	2,612	2,552
City of Coral Gables (4)	20,735	24,207	27,516	21,199
Florida City	-	-	-	32
Golden Beach	91	98	240	559
City of Hialeah (4)	87,216	88,978	91,956	91,021
Hialeah Gardens	1,539	1,808	1,987	2,250
City of Homestead (4)	37,996	40,130	44,900	59,443
City of Miami (4)	193,534	177,297	181,402	236,939
City of Miami Beach (4)	4,387	4,351	5,648	6,008
Village of Miami Shores (4)	6,938	8,200	13,393	13,980
City of Miami Springs (4)	11,481	11,944	10,648	5,719
City of North Bay Village (4)	4,636	4,987	4,983	4,780
City of North Miami (4)	25,385	27,234	30,332	36,856
City of North Miami Beach (4)	40,388	41,677	42,192	52,998
City of Opa-Locka (4)	9,335	77	235	658
City of South Miami (4)	9,828	10,937	14,735	17,008
Town of Surfside (4)	5,035	5,240	5,225	5,140
City of Sweetwater (4)	2,900	3,367	3,075	3,056
City of West Miami (4)	3,495	3,817	3,695	3,492
Total Municipalities	473,099	462,970	491,132	570,004

(1) Equivalent Revenue Tons figure reflects the tons necessary to generate the gross revenue received at $49.65 (FY 2003) - $62.59 (FY 2012) per ton.
(2) In prior years, this tonnage figure was reported on table 4A. This tonnage represents landscaper activity at the landfills.
(3) Formally reported as BFI.
(4) Municipalities that entered into a long-term agreement.
(5) Starting on March 1, 2012, tonnage brought into the Disposal System under the account of the private hauler servicing the City.

See accompanying independent auditor's report.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	
5,340	5,225	4,229	4,227	4,396	1,546	
263	290	227	283	298	79	
1,745	1,740	2,153	2,479	2,349	2,385	
13,459	11,611	10,679	12,160	10,423	9,902	
8	-	-	-	-	-	
134	77	156	96	10	74	
85,162	83,257	77,395	76,244	70,835	67,293	
1,147	907	947	401	12	134	
50,378	50,151	46,166	46,155	43,325	44,356	
151,956	137,122	126,332	128,971	142,670	152,199	
6,529	5,988	4,415	5,925	3,567	3,970	
12,834	12,066	11,413	11,919	11,124	6,789	
4,540	4,630	4,010	4,544	4,325	3,906	
4,140	4,635	4,509	4,531	4,402	4,680	
27,091	25,635	23,800	21,980	22,158	9,167	
41,274	37,572	34,700	34,857	32,578	33,924	
1,357	949	883	1,175	1,152	1,449	
9,699	10,024	9,547	7,711	6,801	9,661	
5,040	5,006	4,589	4,591	4,572	4,524	
2,581	2,378	2,692	3,555	3,391	1,022	(5)
3,007	3,066	2,615	2,641	2,712	2,777	
427,684	402,329	371,457	374,445	371,100	359,837	

See accompanying independent auditor's report.

TABLE III B

Disposal System (Unaudited)

Revenue Tons Source (continued)

TONNAGE BY SOURCE	FY 2003	FY 2004	FY 2005	FY 2006
Permitted Haulers				
BFI/WSI (3)	237,874	234,928	230,868	231,104
WMI	92,281	93,056	88,152	92,869
Other Permitted Haulers	90,675	99,038	139,328	253,578
Total Permitted Haulers	420,830	427,022	458,348	577,551
SW Collections	885,765	834,101	971,212	1,234,483
Permitted Landscapers (2)	-	-	35,857	37,385
SW County-wide Lot Clearing	2,355	2,851	2,989	1,571
Other Governmental	77,811	63,661	66,833	121,232
Subtotal Full Fee Revenue Tons	1,859,860	1,790,605	2,026,371	2,542,226
Reduced Fee Cover Material	-	20,428	16,620	170,681
Non Profit Tonnage	-	-	-	-
Total Revenue Tons	1,859,860	1,811,033	2,042,991	2,712,907
Closure debris from RR ashfill to ND	-	33,442	-	-
WM furniture to ND (no fee)	-	40	-	-
Resources Recovery Plant Demolition & Stormwater Drainage & Cleanout material	-	-	-	-
Total Tons	1,859,860	1,844,515	2,042,991	2,712,907
Equivalent Revenue Tons (1)	1,859,860	1,794,638	2,029,552	2,574,040

(1) Equivalent Revenue Tons figure reflects the tons necessary to generate the gross revenue received at $49.65 (FY 2003) - $62.59 (FY 2012) per ton.
(2) In prior years, this tonnage figure was reported on table 4A. This tonnage represents landscaper activity at the landfills.
(3) Formally reported as BFI
(4) Municipalities that entered into a long-term agreement.
(5) Starting on March 1, 2012, tonnage brought into the Disposal System under the account of the private hauler servicing the City.

See accompanying independent auditor's report.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
220,569	221,288	197,549	179,885	219,261	220,847
105,851	98,581	101,282	141,155	96,887	92,545
246,071	230,271	153,332	110,972	108,308	121,434
572,491	550,140	452,163	432,012	424,456	434,826
764,582	744,925	676,676	668,218	640,895	658,463
28,455	22,483	17,003	13,150	11,368	9,261
1,980	403	-	-	-	-
57,707	63,937	64,373	65,151	52,560	46,847
1,852,899	1,784,217	1,581,672	1,552,976	1,500,379	1,509,234
605,812	39,739	59,921	6,553	62,086	-
-	-	4,170	3,210	3,475	3,086
2,458,711	1,823,956	1,645,763	1,562,739	1,565,940	1,512,320
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
2,458,711	1,823,956	1,645,763	1,562,739	1,565,940	1,512,320
1,960,985	1,791,122	1,593,673	1,555,679	1,512,414	1,509,234

See accompanying independent auditor's report.

TABLE IV A

Collection System (Unaudited)

Tonnage by Type

	FY 2003	FY 2004	FY 2005	FY 2006
GARBAGE	439,649	452,736	465,989	480,600
TRASH				
Bulky Waste	75,947	91,603	97,327	128,440
Clean Yard Trash	-	-	1,693	1,389
Total Bulky Waste	75,947	91,603	99,020	129,829
ILLEGAL DUMPING				
Illegal Dumped Waste	7,597	1,488	1,738	2,841
Illegal Tires	698	500	274	340
Total Illegal Dumping	8,295	1,988	2,012	3,181
NEIGHBORHOOD TRASH & RECYCLING CENTERS				
Trash (Household) (1)	249,179	159,875	148,782	136,656
Other Trash- Landscapers	-	43,434	26,569	17,792
Clean Yard Trash	-	-	-	-
Tires	945	929	757	766
Other Waste	39	59	52	29
Total Neighborhood T&R Center	250,163	204,297	176,160	155,243
GOVERNMENT ACCOUNTS				
Trash	6,630	5,888	6,486	5,883
Whole Tires	17	92	28	142
Total Trash Government Accounts	6,647	5,980	6,514	6,025
BI-WEEKLY YARD TRASH				
LOT CLEARING (CAT3)	4,061	868	1,185	-
ADOPT-A-SPOT	-	-	-	-
SPECIAL CLEANUPS	-	-	17	-
OVERSIZED VEHICLES FR T&R CENTERS	759	680	563	534
SW LITTER PROGRAM	1,303	1,134	1,064	1,163
CHRISTMAS TREES	-	-	-	-
DEMOLITION TONNAGE	-	-	-	-
PERMITTED LANDSCAPERS (2)	96,094	53,028	-	-
TOTAL TRASH	443,269	359,578	286,535	295,975
TOTAL TRASH AND GARBAGE	882,918	812,314	752,524	776,575

(1) Prior to FY 2004 these figures included Household & Non-household trash.
(2) From FY 05 and forward this tonnage figure is being reported on table 3B. This tonnage represents landscaper activity at the landfills.
(3) Starting in FY 2010, other paper includes mixed paper other than newspaper.
(4) Steel cans were not specifically listed by contractor in FY 2010.
(5) Starting in FY 2010, tonnage includes tons processed residue.
(6) The methodology to calculate landscaper tonnage changed for FY 2010 and FY 2011. The old method was reinstated in FY 2012 and it will be used in future periods.

See accompanying independent auditor's report.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
483,349	492,947	442,814	451,647	445,410	455,247
76,373	66,825	67,457	72,331	73,840	72,474
2	-	-	-	-	-
76,375	66,825	67,457	72,331	73,840	72,474
3,144	2,312	1,980	442	381	2,024
347	211	185	-	-	256
3,491	2,523	2,165	442	381	2,280
177,323	160,226	143,840	137,822	115,232	114,681
14,757	13,849	12,279	100 (6)	- (6)	8,750
120	-	-	-	-	-
859	854	994	781	943	574
40	264	323	-	724	107
193,099	175,193	157,436	138,703	116,899	124,112
6,510	5,795	5,358	4,010	3,692	3,461
232	71	15	-	-	5
6,742	5,866	5,373	4,010	3,692	3,466
-	-	-	-	-	-
-	-	-	-	-	-
-	2	-	-	-	-
240	274	223	-	-	301
1,268	1,280	1,208	965	673	578
18	15	-	120	-	5
-	-	-	-	-	-
-	-	-	-	-	-
281,233	251,978	233,862	216,571	195,485	203,216
764,582	744,925	676,676	668,218	640,895	658,463

See accompanying independent auditor's report.

TABLE IV A

Collection System (Unaudited)

Tonnage by Type (continued)

	FY 2003	FY 2004	FY 2005	FY 2006
STORM RELATED TONNAGE				
Garbage	278	1,724	2,462	2,808
Trash (curbside)	2,569	5,728	18,069	38,121
HURRICANE DEBRIS				
Roadway Clearance	-	-	173,798	127,731
Trash & Recycling Centers	-	14,261	23,949	51,405
Litter Program	-	3	72	78
Oversized Vehicles from T&R Centers	-	-	16	111
Government Accounts	-	71	322	316
Stage Rejects	-	-	-	43,325
Sage Mulch	-	-	-	194,013
TOTAL STORM RE/ TONNAGE & HURRICANE DEBRIS	2,847	21,787	218,688	457,908
TOTAL GARBAGE, TRASH & STORM RE/TONNAGE & HURRICANE DEBRIS	885,765	834,101	971,212	1,234,483
RECYCLABLES (T&R CENTERS)				
Phone Books	-	-	-	-
Newspaper/Cardboard	-	-	-	-
Glass	-	-	-	-
Aluminum	-	-	-	-
Plastic Bottles	-	-	-	-
White Goods	6,415	6,729	6,060	6,799
Ferrous Metal	-	-	-	-
TOTAL T&R RECYCLABLES	6,415	6,729	6,060	6,799
CURBSIDE RECYCLABLES				
Phone Books	-	-	-	-
Newspaper/Cardboard	21,163	19,240	19,451	18,995
Other Paper (3)	-	-	-	-
Glass Bottles	9,265	9,598	10,346	9,831
Aluminum	412	333	275	288
Plastic Bottles & Other Plastics	4,181	4,108	3,893	3,649
Steel Cans (4)	1,462	1,373	1,227	1,124
Batteries	-	-	-	-
Septic & Gable Containers	124	1,418	120	130
Other (5)	-	-	-	-
TOTAL CURBSIDE RECYCLABLES	36,607	36,070	35,312	34,017

(1) Prior to FY 2004 these figures included Household & Non-household trash.
(2) From FY 05 and forward this tonnage figure is being reported on table 3B. This tonnage represents landscaper activity at the landfills.
(3) Starting in FY 2010, other paper includes mixed paper other than newspaper.
(4) Steel cans were not specifically listed by contractor in FY 2010.
(5) Starting in FY 2010, tonnage includes tons processed residue.
(6) The methodology to calculate landscaper tonnage changed for FY 2010 and FY 2011. The old method was reinstated in FY 2012 and it will be used in future periods.

See accompanying independent auditor's report.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
764,582	744,925	676,676	668,218	640,895	658,463
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
6,426	3,423	3,228	2,071	1,432	916
-	-	-	-	-	-
6,426	3,423	3,228	2,071	1,432	916
-	-	-	-	-	-
17,098	14,611	34,945	30,134	33,829	34,844
-	-	-	3,127	3,186	3,282
8,549	8,531	16,576	12,786	13,028	13,419
202	243	794	1,285	508	523
3,327	2,958	5,179	3,781	3,852	3,966
988	895	1,611	-	801	825
-	-	-	-	-	-
138	149	601	3,067	-	-
-	-	-	6,118	5,964	6,141
30,302	27,387	59,706	60,298	61,168	63,000

See accompanying independent auditor's report.

TABLE IV B

Collection System (Unaudited)

Tonnage by Facility

	FY 2003	FY 2004	FY 2005	FY 2006
COLLECTIONS DISPOSAL				
Transfer Station				
Garbage (3)	290,375	293,249	314,743	311,735
Storm Related Tonnage	1,724	2,237	13,168	12,504
Trash	111,224	108,304	84,383	96,181
Total Transfer Station	403,323	403,790	412,294	420,420
South Dade Landfill				
Garbage (3)	104,841	112,004	116,409	117,623
Storm Related Tonnage	-	7,092	158,188	235,653
Trash	114,305	97,418	94,368	148,586
Clean Yard Trash	59,290	30,320	-	-
Total South Dade Landfill	278,436	246,834	368,965	501,862
North Dade Landfill				
Trash	77,540	52,398	66,779	59,499
Storm Related Tonnage	983	7,568	41,217	185,275
Clean Yard Trash	36,572	16,929	-	-
Total North Dade Landfill	115,095	76,895	107,996	244,774
Resource Recovery				
Garbage (3)	44,433	47,483	34,837	51,242
Storm Related Tonnage	140	4,890	6,115	6,475
Trash	43,362	48,044	40,793	9,530
Clean Yard Trash	232	5,779	-	-
Total Resource Recovery	88,167	106,196	81,745	67,247

Note: 2003 fee:$49.65/$65.45 per ton, 2004 fee:$50.65/$66.80 per ton, 2005 fee:$52.25/$68.90 per ton, 2006 fee: $53.65/$70.75 per ton, 2007 fee: $56.05/$73.90 per ton, 2008 fee: $57.56/$75.89 per ton, 2009 fee: $60.43/$79.68 per ton, 2010 fee: $59.77/$78.80 per ton, 2011 fee: $60.30/$79.50 per ton, 2012 fee: $62.59/$82.52 per ton.
(1) The eliminating figures herein exclude hurricane disposal costs elimination of approximately $2 million.
(2) The eliminating figures herein exclude hurricane disposal costs elimination of approximately $2.4 million.
(3) Starting FY2008 includes Bus Stops Tonnage.
(4) The City of Sweetwater separated from the Department's Collection System effective March 1, 2012.

See accompanying independent auditor's report.

	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
	321,858	318,075	290,870	289,605	290,138	285,589
	-	-	-	-	-	-
	89,161	86,703	76,958	69,727	59,224	64,911
	411,019	404,778	367,828	359,332	349,362	350,500
	121,998	143,138	120,726	124,568	125,979	130,592
	-	-	-	-	-	-
	132,164	114,788	107,463	96,121	82,057	84,543
	-	-	-	41	922	-
	254,162	257,926	228,189	220,730	208,958	215,135
	53,141	45,066	40,822	38,612	36,942	37,799
	-	-	-	-	-	-
	-	-	-	47	331	-
	53,141	45,066	40,822	38,659	37,273	37,799
	39,493	31,750	31,218	37,474	29,294	39,066
	-	-	-	-	-	-
	6,767	5,405	8,619	11,997	15,954	15,963
	-	-	-	26	55	-
	46,260	37,155	39,837	49,497	45,303	55,029

See accompanying independent auditor's report.

TABLE IV B

Collection System (Unaudited)

Tonnage by Facility (continued)

	FY 2003	FY 2004	FY 2005	FY 2006
Medley Landfill				
Garbage	-	-	-	-
Storm Related Tonnage	-	-	-	-
Trash	744	386	212	180
Total Medley Landfill	744	386	212	180
SUMMARY				
Collections Disposal				
Garbage (3)	439,649	452,736	465,989	480,600
Storm Related Tonnage	2,847	21,787	218,688	439,907
Trash	347,175	306,550	286,535	313,976
Clean Yard Trash	96,094	53,028	-	-
Total Collections Disposal	885,765	834,101	971,212	1,234,483
DISPOSAL FEE SUMMARY				
GARBAGE DIVISION	$22,445,338	$25,946,874	$27,636,798	$29,074,940
TRASH DIVISION	$25,532,622	$20,381,568	$15,969,195	$16,277,750
Total Collections	$47,977,960	$46,328,442	$43,605,993	$45,352,690
Sweetwater Tonnage & Disposal Fee Summary (4)				
Disposal Fee (Trash Division)	$172,440	$204,047	$191,768	$196,341
Total Disposal Fees paid by Collection	$48,150,400	$46,532,489	$43,797,761 (1)	$45,549,031 (2)

Note: 2003 fee:$49.65/$65.45 per ton, 2004 fee:$50.65/$66.80 per ton, 2005 fee:$52.25/$68.90 per ton, 2006 fee: $53.65/$70.75 per ton, 2007 fee: $56.05/$73.90 per ton, 2008 fee: $57.56/$75.89 per ton, 2009 fee: $60.43/$79.68 per ton, 2010 fee: $59.77/$78.80 per ton, 2011 fee: $60.30/$79.50 per ton, 2012 fee: $62.59/$82.52 per ton.
(1) The eliminating figures herein exclude hurricane disposal costs elimination of approximately $2 million.
(2) The eliminating figures herein exclude hurricane disposal costs elimination of approximately $2.4 million.
(3) Starting FY2008 includes Bus Stops Tonnage.
(4) The City of Sweetwater separated from the Department's Collection System effective March 1, 2012.

See accompanying independent auditor's report.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
483,349	492,963	442,814	451,647	445,410	455,247
-	-	-	-	-	-
281,233	251,962	233,862	216,571	195,485	203,216
-	-	-	-	-	-
764,582	744,925	676,676	668,218	640,895	658,463
$30,467,061	$32,033,808	$30,404,367	$30,403,199	$30,301,477	$32,014,175
$17,010,785	$15,613,760	$14,953,209	$13,812,946	$12,532,962	$13,547,338
$47,477,846	$47,647,568	$45,357,576	$44,216,145	$42,834,439	$45,561,513
$168,729	$164,856	$190,814	$254,489	$244,908	$76,903
$47,646,575	$47,812,424	$45,548,390	$44,470,634	$43,079,347	$45,638,416

See accompanying independent auditor's report.

TABLE V

Collection System (Unaudited)

Customer Statistics

	FY 2003	FY 2004	FY 2005	FY 2006
HOUSEHOLDS (5):				
Units as of October 1st	290,153	296,969	302,313	309,907
Units as of September 30th	296,969	302,313	309,907	319,064
Billed by Tax	295,733	301,007	306,037	311,897
Billed October 1st	736	522	731	919
Net Growth	6,816	5,344	7,594	9,157
Average Annual Number of Units	293,410	299,747	306,713	314,647
HOUSEHOLD/COMMERCIAL (6):				
Units as of October 1 (1)	3,646	3,673	3,673	3,711
Billed by Tax	2,792	2,803	2,832	2,894
Billed During the Year	857	870	841	857
Average Annual Number of Units	3,685	3,673	3,685	3,732
CITY OF MIAMI HUD				
Households (5)	104	104	104	104
Household/commercial (6)/(7)	857	857	857	857
COMMERCIAL:				
Units as of October 1	960	896	880	876
Average Annual Units	916	880	870	880
Rollaway (Dumpsters) (4)	29	29	29	29
RECYCLING:				
Outside Department Service Area - Households (2)	3,363	3,259	3,189	2,797
Participating Municipalities Households (4)	23,104	23,137	23,293	23,096
LANDSCAPE PERMITS				
Permits	1,080	791	848	708
Trucks	1,431	1,046	1,259	933
Fee Per Unit (Collection's Service) Fee (Including Recycling)	$349	$399	$399	$399
Waste Collected by Department as % of Total Tipped (3)	47.63%	46.48%	47.85%	47.96%

(1) Change in method beginning fiscal year 1995 from number of waste units of living units billed.
(2) Reduction after fiscal 1996 due to expanded take-in areas.
(3) Total equivalent revenue tons used.
(4) Represents average for the period from FY 2010 on.
(5) Households include residential dumpsters and City of Miami HUD households.
(6) Household/Commercial include City of Miami HUD Commercial.
(7) Reflects a reduction in the number of units serviced in FY 2011.
(8) Reflects the figures net of Sweetwater separation from Collection System effective March 1, 2012.

See accompanying independent auditor's report.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
319,064	321,438	323,128	323,812	324,521	324,866
321,438	323,128	323,812	324,521	324,866	323,456
318,341	322,352	323,403	324,072	324,332	322,827
842	765	125	174	228	307
2,374	1,690	684	709	345	(1,410) (8)
318,972	322,534	323,471	324,092	324,768	324,040
3,706	3,722	3,735	3,775	3,775	3,722
2,975	2,877	2,898	2,954	2,974	2,750
857	912	877	861	609	593
3,715	3,758	3,782	3,800	3,585	3,731
104	104	104	104	64	23
857	857	857	857	610	576
889	907	970	1,014	1,014	1,048
888	915	992	1,004	1,021	1,049
29	30	28	28	22	27
2,584	2,512	2,417	1,905	1,847	1,828
22,017	21,837	20,824	19,608	26,908	28,031
510	475	532	329	337	328
694	610	727	482	420	356
$439	$439	$439	$439	$439	$439
38.99%	41.59%	42.46%	42.95%	42.38%	43.63%

See accompanying independent auditor's report.

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TABLE VI

Revenue by Type (Unaudited)

TYPE	DESCRIPTION	FY 2010	FY 2011	FY 2012
			(In thousands)	
Collections Revenue	Received for curbside collection of garbage and trash. Customers as household units at September 30, 2012, 2011 and 2010 were 323,456, 324,866, and 324,521, respectively. PWWM provides solid waste collection service to unincorporated Miami-Dade County residential units (single-family, townhomes, cluster homes, etc.). In November 1995, the City of Aventura entered into an interlocal agreement authorizing the County to provide waste collection services on an interim basis. PWWM continues to provide these services to the City of Aventura although the original agreement is no longer in effect; however, the number of units served is minimal (approximately 200 units). PWWM serves the Village of Pinecrest, Sunny Isles Beach, the Town of Miami Lakes, the Village of Palmetto Bay, the City of Miami Gardens, the City of Doral and the Town of Cutler Bay; all these pursuant to Ordinance 96-30. The City of Sweetwater separated from Collection System effective March 1, 2012.	$ 149,900	$ 142,305	$ 141,983
Tipping Fees	The County charges tipping fees for use of its disposal facilities. Municipalities with long term interlocal agreements received disposal services at a disposal fee of $62.59, $60.30, and $59.77 per ton during fiscal years 2012, 2011 and 2010, respectively. These fees are subject to annual increases based on Consumer Price Index (CPI). There were 18 cities with interlocal agreements (see Table IIIB) as of September 30, 2012. Private haulers with long term contracts for disposal also received the $62.59 tipping fee per ton; at September 30, 2012, 19 private haulers were receiving the lower fee. County agencies also received the $62.59 tipping fee. For waste delivered to one of the County's regional transfer stations the additional charge was $12.32 per ton during fiscal year 2012. The non-contractual rate was $82.52 per ton during fiscal year 2012.	56,577	55,659	56,963
Medley Surcharge	The Department receives a surcharge on each ton of waste disposed at the Medley Landfill by Waste Management, pursuant to the agreement approved by the Board of County Commissioners on July 21, 1998.	525	638	786
Electrical Revenue	The Department receives electrical revenue from the sale of electricity produced at the Resources Recovery waste-to-energy facility.	26,461	31,469	30,703
Utility Service Fee	Revenues directed to the PWWM based on 3 1/2% out of the 7 1/2% surcharge on water and waste water bills countywide. By code limited to closure, postclosure care and other groundwater protection programs.	20,650	22,500	21,692
Disposal Facility Fee	Since fiscal year 1996, private haulers have been assessed a fee based on a percentage of their gross receipts from their customers located in unincorporated Miami-Dade County. The fee has been 15% in fiscal years 2010, 2011 and 2012. The fee is used to ensure capacity in operations.	11,634	10,789	10,535
Other Operating Revenue	Includes office rental income, parking facilities revenue, code enforcement fines, permit fees and other miscellaneous income.	3,385	3,584	3,495
Total		$ 269,132	$ 266,944	$ 266,157

See accompanying independent auditor's report.

TABLE VII

Resources Recovery (Unaudited)

Electrical Revenues

	FY 2003	FY 2004	FY 2005	FY 2006
Total Electrical Revenue	$19,194,513	$16,592,996	$17,503,843	$23,123,631
Deducted Expenses:				
Electricity Costs	$378,702	$323,197	$346,003	$256,610
Other Related Costs	$1,452,834	$1,434,003	$1,428,529	$1,557,725
Net Miami-Dade County Revenue	$8,870,839	$7,579,497	$8,037,657	$10,782,953
Net Montenay Power Corporate Revenue	$8,492,137	$7,256,299	$7,691,654	$10,526,343
KWH Produced	297,098,000	250,563,000	233,258,000	293,247,000

(1) Excludes approximately $143,400 in settlement of Transmission Charges.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	
$23,703,597	$28,000,596	$27,911,369	$26,460,826	$31,469,008	$30,703,074	
$239,025	$268,509	$258,561	$282,340	$253,100	$255,176	
$1,552,486	$1,703,885	$1,557,901	$1,600,684	$1,950,010	$1,751,902	(1)
$11,075,556	$13,193,356	$13,176,734	$12,430,071	$14,759,500	$14,475,587	
$10,836,530	$12,924,847	$12,918,173	$12,147,731	$14,506,398	$14,220,411	
291,314,000	312,174,000	304,098,000	276,123,000	339,009,000	332,019,000	

See accompanying independent auditor's report.

TABLE VIII

Home Chemical Collection Program (Unaudited)

	FY 2003 (6)	FY 2004	FY 2005	FY 2006
PARTICIPANTS				
Florida International University - North (4)	92	98	123	-
Miami Dade Community College - North	-	-	-	-
Miami Dade Community College - South	475	-	-	-
South Dade Government Center	-	298	227	-
Biscayne Greyhound Track	-	-	-	-
Homestead	42	73	-	32
Joe Robbie Stadium	-	-	-	-
Miami Gardens	-	-	-	-
Permanent Center	1,656	1,738	2,170	2,317
Total Participants	2,265	2,207	2,520	2,349
POUNDS COLLECTED				
Florida International University - North (4)	6,711	7,916	12,601	-
Miami Dade Community College - North	-	-	-	-
Miami Dade Community College - South	21,941	-	-	-
South Dade Government Center	-	13,484	23,335	-
Biscayne Greyhound Track	-	-	-	-
Homestead	6,698	8,629	-	1,974
Joe Robbie Stadium	-	-	-	-
Miami Gardens	-	-	-	-
Permanent Center **	264,360	224,015	277,722	279,493
Total Pounds Collected (3)	299,710	254,044	313,658	281,467
TOTAL VENDOR DISPOSAL COST				
Florida International University - North (4)	$13,861	$15,256	$14,383	-
Miami Dade Community College - North	-	-	-	-
Miami Dade Community College - South	$25,881	-	-	-
South Dade Government Center	-	$18,599	$23,170	-
Biscayne Greyhound Track	-	-	-	-
Homestead	$12,425	$11,567	-	$9,682
Joe Robbie Stadium	-	-	-	-
Miami Gardens	-	-	-	-
Permanent Center	$129,824	$170,039	$210,654	$128,542
Total Cost	$181,991	$215,461	$248,207	$138,224
Average Cost Per Pound	$0.61	$0.85	$0.79	$0.49
Average Cost Per Participant	$80	$98	$98	$59

Area specific programs were discontinued in fiscal year 1995 in favor of a permanent drop-off site.
** Includes used oil dropped off at T & R Centers
(1) Reinstated mobile events for unincorporated areas in 1999.
(2) Permanent Center includes used oil collection.
(3) Conversion for used oil is 8 pounds per gallon. The figure might include pounds of hazardous waste.
(4) Florida International Univ. (North Campus) selected as new “North” site in FY2002.

See accompanying independent auditor’s report.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
39	2	-	-	-	-
-	-	-	-	-	-
-	-	-	19	-	-
3,001	3,092	3,864	4,175	3,755	3,809
3,040	3,094	3,864	4,194	3,755	3,809
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,218	700	-	-	-	-
-	-	-	-	-	-
-	-	-	2,491	-	-
370,052	345,346	323,708	364,724	349,732	378,062
373,270	346,046	323,708	367,215	349,732	378,062
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$10,794	$7,822	-	-	-	-
-	-	-	-	-	-
-	-	-	$10,168	-	-
$217,778	$235,111	$160,932	$149,550	$123,780	$128,928
$228,572	$242,933	$160,932	$159,718 (7)	$123,780 (8)	$128,928 (9)
$0.61	$0.70	$0.50	$0.43	$0.56	$0.34
$75	$79	$42	$38	$33	$34

(5) This table excludes figures for latex paint and e-waste.
(6) Heavy rains all day during Spring Event (FIU & MDCC South).
(7) FY2010 Program earned $14,666 for sale of used oil making the net disposal cost $145,052.
(8) FY2011 Program earned $17,553 for sale of used oil making the net disposal cost $114,321.
The total sale of used oil per FAMIS in FY 2011 is $21,497.
(9) FY2012 Program earned $19,121 for sale of used oil making the net disposal cost $109,807. The total sale of used oil per FAMIS in FY 2012 is $17,644.

See accompanying independent auditor's report.

TABLE IX

Demographic and Economic Indicators (Unaudited)

Selected years 2003-2012

	FY 2003	FY 2004	FY 2005	FY 2006
Population (1)	2,342,739	2,372,418	2,402,105	2,431,819
Increase/(Decrease)	29,692	29,679	29,687	29,714
Annual percentage change	1.3%	1.3%	1.3%	1.2%
Personal Income (in $000's) (2)	$64,630,566	$68,582,602	$74,533,598	$80,112,340
Per Capita Personal Income	$27,670	$29,076	$31,447	$32,943
Unemployment Rate (1)	5.9%	5.4%	4.3%	3.9%

N/A - Information is not available as of the date of the Transmittal Letter herein.

Source: (1) Miami-Dade County, Department of Regulatory and Economic Resources, Planning Division, Research Section.
(2) U.S. Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis/Regional Economic Information System.

PRINCIPAL EMPLOYERS
Current Year and Period - Nine Years Prior

	2012				2003		
Employer	Employees	Rank	Percentage of Total County Employment (1)	Employer	Employees	Rank	Percentage of Total County Employment (1)
Miami-Dade County Public Schools	44,132	1	3.39%	Miami-Dade County Public Schools	47,204	1	4.36%
Miami-Dade County	26,351	2	2.02%	Miami-Dade County	32,000	2	2.95%
Federal Government	19,400	3	1.49%	Federal Government	20,100	3	1.86%
State of Florida	17,600	4	1.35%	State of Florida	18,900	4	1.74%
Jackson Memorial Hospital	10,809	7	0.83%	Jackson Memorial Hospital	11,700	5	1.08%
University of Miami, Inc.	13,233	6	1.02%	University of Miami, Inc.	9,079	6	0.84%
American Airlines	9,000	9	0.69%	American Airlines	9,000	7	0.83%
Miami-Dade Community College	-	-	-	Miami-Dade Community College	7,500	8	0.69%
Baptist Health Systems of South Florida	14,865	5	1.14%	Baptist Health Systems of South Florida	7,000	9	0.65%
Precision Response Corporation	-	-	-	Precision Response Corporation	6,000	10	0.55%
Publix Super Market	10,800	8	0.83%	Publix Super Market	-	-	-
Florida International University	8,000	10	0.61%	Florida International University	-	-	-
	174,190		13.37%		168,483		15.55%

Source: The Beacon Council, Miami, Florida, Miami Business Profile

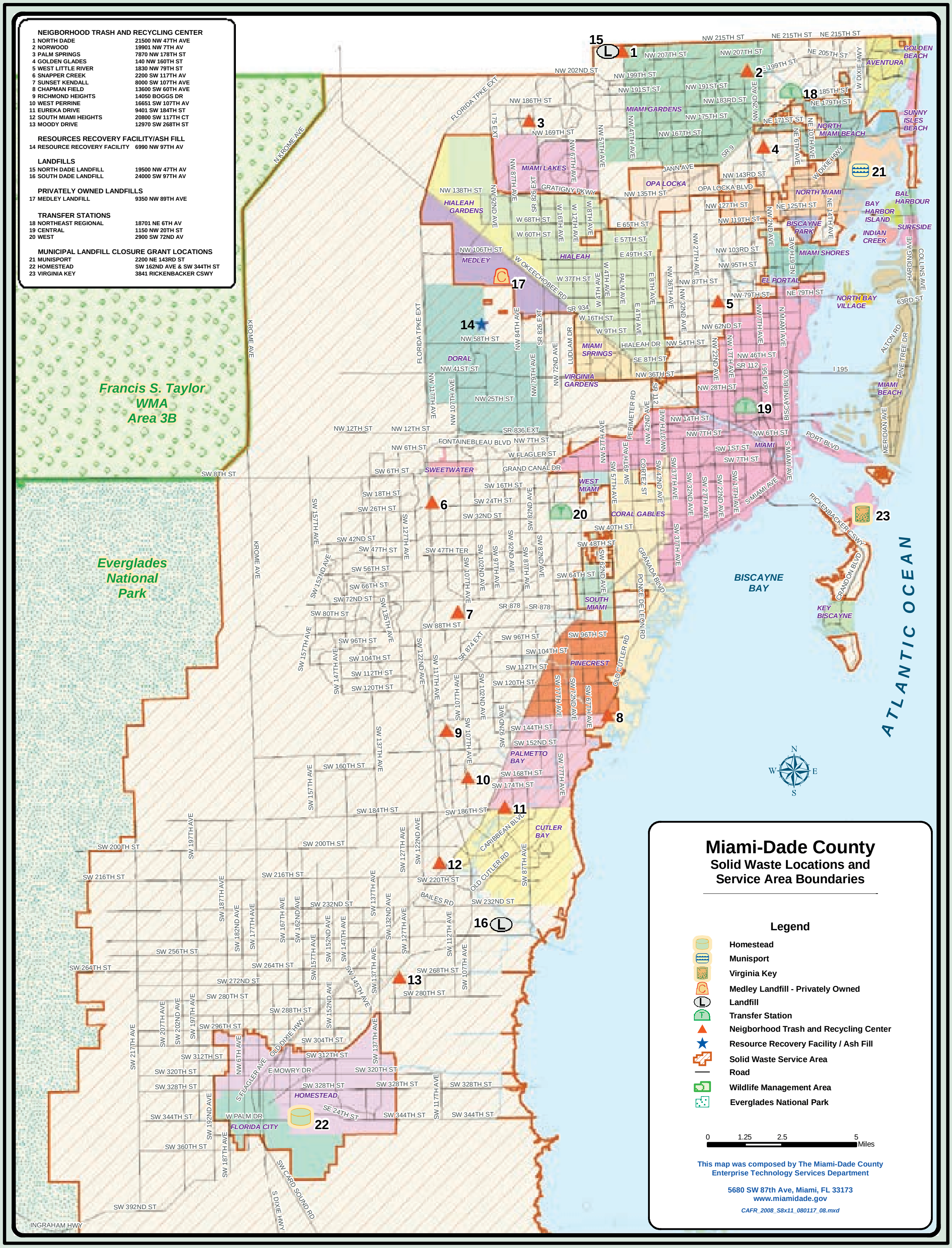
(1) Based on Civilian Labor Force for FY03 1,083,357 and FY12 1,303,121.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
2,461,577	2,499,701	2,531,769	2,563,885	2,516,515	2,551,255
29,758	38,124	32,068	32,116	(47,370)	34,740
1.2%	1.5%	1.3%	1.3%	(1.8%)	1.4%
$85,978,571	$88,954,732	$90,915,774	$92,227,399	$96,657,710	N/A
$34,928	$35,586	$35,910	$35,972	$38,409	N/A
3.5%	5.3%	8.9%	12.0%	12.7%	N/A

See accompanying independent auditor's report.

TABLE X

Solid Waste Locations and Service Area Boundaries



See accompanying independent auditor's report.

TABLE XI

Insurance in Force (Unaudited)

Type of Coverage and Insurance Company	Policy Period	Details of Coverage	Limit of Liability
Crime Policy:			
Fidelity & Deposit Co. of Maryland	08/19/12-8/19/13	Employees Dishonesty	$1,000,000
Accidental Death:			
Hartford Life Insurance Company	08/29/12-08/29/13	Accidental Death and Dismemberment	$ 25,000
Property Insurance:			
Various companies	04/15/12-04/15/13	Real & Personal Property	various
Automobile Liability:	Continuous	Self-insured	$ 200,000 per person $ 300,000 per occurrence pursuant to F.S. 768.28 (certain claims may not fall within the parameters of F.S. 768.28)
General Liability:	Continuous	Self-insured fund	$ 200,000 per person $ 300,000 per occurrence pursuant to F.S. 768.28 (certain claims may not fall within the parameters of F.S. 768.28)
Workers' Compensation	Continuous	Self-insured fund	Statutory coverage pursuant to F.S. 440

See accompanying independent auditor's report.

TABLE XII

Schedule of Debt Service Coverage and Outstanding Debt Ratio (Unaudited)

Last Ten Years (in thousands)

	FY 2003	FY 2004	FY 2005	FY 2006
FIRST TIER TEST				
Adjusted net operating revenues (1)/(1a)(3)	$26,054	$32,869	$44,766	$60,949
Debt service requirements (1b)/(2)	$18,018	$18,026	$18,966	$20,092
Actual Coverage (3)	1.45	1.82	2.36	3.03
Required coverage	1.20	1.20	1.20	1.20
Refunding Bonds Balance, Net	$69,092	$62,176	$54,866	$47,105
Equivalent Revenue Tons	1,860	1,795	2,030	2,574
Outstanding Debt Ratio	37.1	34.6	27.0	18.3
Revenue Bonds Balance, Net	$92,335	$90,048	$163,670	$163,375
Equivalent Revenue Tons	1,860	1,795	2,030	2,574
Outstanding Debt Ratio	49.6	50.2	80.6	63.5
Capital Asset Acquision Bonds, Net	$22,740	$23,737	$21,657	$19,283
House Hold Units	293	300	307	315
Outstanding Debt Ratio	77.6	79.1	70.5	61.2
Sunshine State Loans, Net	$0	$0	$10,289	$11,313
House Hold Units	293	300	307	315
Outstanding Debt Ratio	0.0	0.0	33.5	35.9
		(In full $s)		
Total Debt for the Waste Management Enterprise Fund in full dollars	$184,167,000	$175,961,000	$250,482,000	$241,076,000
Total Debt for the Waste Management Enterprise Fund in full dollars	$184,167,000	$175,961,000	$250,482,000	$241,076,000
Population of Miami-Dade County (4)	2,342,739	2,372,418	2,402,105	2,431,819
Outstanding Debt Ratio	78.6	74.2	104.3	99.1
Total Debt for the Waste Management Enterprise Fund in full dollars	$184,167,000	$175,961,000	$250,482,000	$241,076,000
Personal Income of Miami-Dade County (5)	$64,630,566	$68,582,602	$74,533,598	$80,112,340
Outstanding Debt Ratio	2.8	2.6	3.4	3.0

N/A - Information is not available as of the date of the Transmittal Letter herein.

* In this presentation all debt figures are reflected net of unamortized premium/discount/deferred charges for the corresponding period being reported.

(1) Adjusted net operating revenues include: Operating revenues plus intergovernmental revenue used in the calculation of debt service coverage, less operating expenses (prior to depreciation and expense for assumption of liability of closure and postclosure care costs for inactive landfills) plus certain interest income defined as revenues by debt instruments.

(1a) Fiscal year 2003 adjusted net operating revenues figure herein includes $4.7M from rate stabilization (representing 20% of adjusted NOR FY2002 reported above which includes $7.6M from rate stabilization).

(1b) Figures for debt service requirements are reflected on an accrual basis herein while the figures on the footnotes to the financial statements represent future requirements on a cash/maturity basis.

See accompanying independent auditor's report.

FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
$68,117	$36,067	$36,526	$58,775	$47,748	$43,297
$20,115	$20,084	$20,098	$20,113	$18,749	$18,749
3.39	1.80	1.82	2.92	2.55	2.31
1.20	1.20	1.20	1.20	1.20	1.20
$38,840	$30,034	$20,704	$10,800	$0	$0
1,961	1,791	1,594	1,556	0	0
19.8	16.8	13.0	6.9	0.0	0.0
$162,366	$161,314	$160,225	$159,095	$157,902	$148,066
1,961	1,791	1,594	1,556	1,512	1,509
82.8	90.1	100.5	102.2	104.4	98.1
$16,865	$14,394	$11,856	$9,246	$6,558	$3,738
319	323	323	324	325	324
52.9	44.6	36.7	28.5	20.2	11.5
$10,116	$8,911	$7,698	$6,477	$5,228	$3,866
319	323	323	324	325	324
31.7	27.6	23.8	20.0	16.1	11.9
		(In full $s)			
$228,187,000	$214,653,000	$200,483,000	$185,618,000	$169,688,000	$155,670,000
$228,187,000	$214,653,000	$200,483,000	$185,618,000	$169,688,000	$155,670,000
2,461,577	2,499,701	2,531,769	2,563,885	2,516,515	2,551,255
92.7	85.9	79.2	72.4	67.4	61.0
$228,187,000	$214,653,000	$200,483,000	$185,618,000	$169,688,000	$155,670,000
$85,978,571	$88,954,732	$90,915,774	$92,227,399	$96,657,710	N/A
2.7	2.4	2.2	2.0	1.8	N/A

(2) The debt service requirement herein for FY 2005 and every fiscal year thereafter, equals the amount reflected on Series 2005 OS (page 40) converted to the accrual basis.
(3) The debt service coverage calculation herein excludes investment income or loss in connection with the recognition of investment in derivative instruments pursuant to the implementation of the Governmental Accounting Standards Board, Statement No. 53, “Accounting and Financial Reporting for Derivative Instruments” GASB 53, see Note 15 to the financial statements.
(4) Source: Miami-Dade Couny, Department of Regulatory and Economic Resources, Planning Division, Research Section.
(5) Source: U.S. Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis/Regional Economic Information System.

See accompanying independent auditor’s report.

TABLE XIII

Schedule of Major Contracts and Agreements - Operating (Unaudited)

	Fees/Rates Effective October 1,			Expenses Recorded (in millions)		
	2010	2011	2012	2010	2011	2012
Agreement for the management and operation of the County-owned Resources Recovery Facility:						
• On July 17, 2012, the Miami-Dade County Board of County Commissioners approved resolution No. R-639-12 authorizing execution of the Fourth Amended and Restated Operations and Management Agreement by and between Miami-Dade County (the "County") and Covanta Dade Renewable Energy Ltd (the "O&M Agreement"); the terms of the O&M Agreement are effective as of October 1, 2009.						
Annual Recyclable Trash Guranteed Tonnage = 240,000 Tons Per Year (TPY) Annual On-Site Waste Guaranteed Tonnage = 732,000 TPY						
• Tipping Fees (main categories) /rates per ton:						
TPY up to 732,000 tons.	$45.41	$47.14	$47.94			
TPY in excess of 732,000 (732,001 tons - 966,000 tons).	$38.47	$39.93	$40.61			
Above 966,000 TPY for each ton of Recyclable Trash up to a maximum of 76,000 TPY delivered after receipt of 966,000 TPY.	$31.40	$32.59	$33.14			
All other waste.	$28.08	$29.14	$29.63			
• Expenses recorded for Capital Tipping Fees, Oper. & Management Tipping Fees.				$49.0	$56.8	$60.8
Agreement with Waste Management Inc. of Florida for waste delivery to the Waste Management Landfill located in Medley, Florida:						
• Twenty year term contract which ends in 2015, with 2 additional 5-year renewal options.						
• The County to deliver between 100,000 and 120,000 tons per year.						
• Guaranteed capacity to the County up to 500,000 per tons per year (including alternate landfill).						
• Fees/rates per ton billed to the County:						
First 100,000 tons delivered.	$32.42	$33.66	$34.23			
First 20,000 tons delivered in excess of 100,000.	$26.49	$27.50	$27.96			
First 20,000 tons delivered in excess of 120,000.	$25.13	$26.09	$26.53			
Fee increases limited to CPI and change-in-law.						
• County receives surcharge for all non-PWWM waste delivered to Medley.						
• Expenses recorded				$5.6	$5.1	$3.5

See accompanying independent auditor's report.

Agreement with Waste Services of Florida, Inc. ("WSI") and World Waste Recycling, Inc.

- In March 2008, the County entered into agreements for curbside collection and hauling of recyclable items with Waste Services of Florida, Inc. and World Waste Recycling, Inc formerly known as World Waste Services, Inc. Under the new program, residential curbside recycling was converted from dual stream to single stream collection.
- In February 2007, the County received notice of the upcoming transaction in March 2007 between Waste Services, Inc. ("WSI") and Allied Waste South Florida for the acquisition of Allied Waste South Florida operations, consisting of Browning-Ferris Industries ("BFI"). In March 2007, the County consented to the assignment of all rights and obligations under the Curbside Collection Service of Recyclable Materials Contract from BFI / Allied Waste South Florida to Waste Services of Florida, Inc.
- Contract as amended on 10/95 ended in 2006. The County and the Contractor agreed on a month to month extension from June 2006 through December 2006. In January 2007 the County and the contractor agreed on a six month extension. The County reserved the right to renew for six additional one month periods. In June 2007 the County exercised the right to renew for six additional one month periods. The one month period extensions ended December 31, 2008.
- Fees/rates per household billed to the County. Fee increases limited to CPI

	Fees/Rates Effective October 1,			Expenses Recorded (in millions)		
	2010	2011	2012	2010	2011	2012
World Waste Recycling, Inc.						
Single stream service (Zone 1 & 2)	$1.93	$1.98	$2.01			
Single stream service (Miami Beach)	-	$2.83	$2.87			
Manual Service	-	$2.91	$2.95			
Waste Services of Florida, Inc.						
Single stream service (Zone 3)	$1.98	$2.03	$2.06			
• Expenses recorded				$8.1	$8.3	$8.5

See accompanying independent auditor's report.

TABLE XIV

Schedule of Major Disposal Delivery Agreements (Unaudited)

	Fees/Rates Effective October 1,		
	2010	**2011**	**2012**
Interlocal (long-term disposal delivery) agreements with 18 municipalities in the County:			
• 20-year term contracts, which end in 2015 (except West Miami, Homestead and North Miami).			
• The County guarantees to meet level-of-service standard for disposal capacity (concurrency).			
• Municipalities agree to deliver all tonnage collected and to direct contracted/ franchise haulers.			
• Tipping Fees/rates per ton:*	$60.30	$62.59	$63.65
Transfer Fees/rates per ton:	$11.87	$12.32	$12.52
Fee increases limited by CPI and change-in-law.			
Long-term contract to provide disposal services to Waste Services, Inc. (“WSI”):			
• In February 2007, the County received notice of the upcoming transaction in March 2007 between Waste Services, Inc. (“WSI”) and Allied Waste South Florida for the acquisition of Allied Waste South Florida operations, consisting of Browning-Ferris Industries (“BFI”). In March 2007, the County consented the assignment of all rights and obligations under the Commitment to use the County Solid Waste Management System for Municipal Solid Waste Disposal Contract.			
• Pursuant to amendment adopted by the Board of County Commissioners on July 26, 2001, the contract term is through 2015, with two 5-year mutual options to renew. Prior to the amendment, 20-year term contract to 2015,with 10-year termination provision in 2005.			
• In consideration for the term extension, 220,000 tons per year delivery requirement (plus additional 10,000 tons per year for 5 consecutive years, beginning October 1, 2001). Prior to the amendment, 300,000 tons per year delivery requirement or all tons collected.			
• Hauler will deliver at least 75,000 tons of its commitment to County transfer stations at additional transfer fee per ton. Prior to the amendment this requirement was for 100,000 tons.			
• Tipping Fees/rates per ton:	$60.30	$62.59	$63.65
Transfer Fees/rates per ton:	$11.87	$12.32	$12.52
Fee increases limited by CPI and change-in-law.			
Long-term contract to provide disposal services to Waste Management:			
• 20-year term contract to 2015, with two 5-year mutual options to renew.			
• 91,000 tons per year delivery requirement or all tons collected. (88,400 tons if County delivers less than 120,000 tons annualy to Medley Landfill (see Table 13 in this report)).			
• Tipping Fees/rates per ton:	$60.30	$62.59	$63.65
Transfer Fees/rates per ton:	$11.87	$12.32	$12.52
Fee increases limited by CPI and change-in-law.			
• Non-contractual rate in October 1, 2010 $79.50; October 1, 2011 $82.52; October 1, 2012 $83.92.			

See accompanying independent auditor’s report.

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TABLE XV

Operating Information (Unaudited)

Last Ten Years

	FY 2003	FY 2004	FY 2005
Number of Employees:			
Disposal System	263	257	311
Collection System	857	843	745
	1,120	1,100	1,056
Administration			
Total			
Operating Indicators:			
Disposal System:			
Equivalent Revenue Tons	1,859,860	1,794,638	2,029,552
Collection System:			
Residential:			
Average Annual Number of Units	293,410	299,747	306,713
Commercial Units:			
Household/Commercial Average Annual Number of Units	3,685	3,673	3,685
Commercial Average Annual Number of Units	916	880	870
Capital Assets Information:			
Disposal System:			
Active Landfills	3	3	3
Transfer Stations	3	3	3
Waste-to-Energy Plant	1	1	1
Collection System:			
Division Sites	3	3	3
Trash and Recycling Centers (T&R Centers)	14	14	13

(1) Includes one overage.
(2) Represents employees engaged in Waste Management Collection and Disposal Activities only.
(3) Administration employees support both Public Works and Waste Management functions.

See accompanying independent auditor's report.

FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012
315	302	307	318	265	257	249
699	681	645	639	693	683 (1)	583
1,014	983	952	957	958	940	832 (2)
						121 (3)
						953
2,574,040	1,960,985	1,791,122	1,593,673	1,555,679	1,512,414	1,509,234
314,647	318,972	322,534	323,471	324,092	324,768	324,040
3,732	3,715	3,758	3,782	3,800	3,585	3,731
880	888	915	992	1,004	1,021	1,049
3	3	3	3	3	3	3
3	3	3	3	3	3	3
1	1	1	1	1	1	1
3	3	3	3	3	4	4
13	13	13	13	13	13	13

See accompanying independent auditor's report.

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Mallards (Anas platyrhynchos) in the restored wetland area at the N. W. 58th Street Landfill.

MIAMI-DADE COUNTY

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