2018 COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended September 30, 2018

Waste Management Enterprise Fund

An Enterprise Fund of the Department of Solid Waste Management

A Department of Miami-Dade County, Florida

MIAMI-DADE COUNTY

2018 Comprehensive Annual Financial Report

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An Enterprise Fund of the Department of
Solid Waste Management

A Department of Miami-Dade County, Florida

Prepared by the Accounting Division

MIAMI-DADE COUNTY

2018

MISSION STATEMENT

"To provide our customers with exceptional waste collection, recycling and disposal services that protect, preserve and improve our environment and the quality of life in our community."

Comprehensive Annual Financial Report
For the Fiscal Years Ended September 30, 2018

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(UNAUDITED)

Carlos A. Gimenez
Mayor

BOARD OF COUNTY COMMISSIONERS

Audrey M. Edmonson
Chairwoman

Rebeca Sosa
Vice Chairwoman

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District 1

Jean Monestime
District 2

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District 5

Rebeca Sosa
District 6

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District 8

Dennis C. Moss
District 9

Senator Javier D. Souto
District 10

Joe A. Martinez
District 11

José "Pepe" Díaz
District 12

Esteban L. Bovo, Jr.
District 13

Harvey Ruvin
Clerk of Courts

Pedro J. Garcia
Property Appraiser

Abigail Price-Williams
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.

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

miamidade.gov

March 27, 2019

The Honorable Carlos A. Gimenez
Mayor

The Honorable Chairwoman Audrey M. Edmonson and Members
Board of County Commissioners

The Honorable Harvey Ruvin
Clerk of Courts
Miami-Dade County, Florida

Ladies and Gentlemen:

The Comprehensive Annual Financial Report (the "Report") from the Waste Management Enterprise Fund of Miami-Dade County's Department of Solid Waste Management as of and for the fiscal year ended September 30, 2018 is hereby submitted. In this Report, references to the "Department of Solid Waste Management", "DSWM", 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) and government auditing standards 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 provide 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 RSM US LLP Certified Public Accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of WM


Partnering with OUR
community to keep
#OurCounty clean
LET'S Clean
Things UP
GET INVOLVED!


LET'S
TRASH
CANCER

as of and for the fiscal year ended September 30, 2018 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 auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Waste Management Enterprise Fund's financial statements as of and for the fiscal year ended September 30, 2018 are fairly presented for material purposes 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 major 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 Separation of the Department of Solid Waste Management from the Public Works Department

On January 20, 2016, the Miami-Dade County Board of County Commissioners approved and adopted fiscal year 2016 mid-year supplemental budget adjustments and amendments for various departments and funds. This mid-year supplemental budget introduced a plan to create the Department of Transportation and Public Works and the Department of Solid Waste Management and to eliminate the former Public Works and Waste Management and Transit Departments. This action was intended to consolidate the functions of Miami-Dade County government that impact the delivery of public transit and surface transportation-related services. Transportation and mobility are critical issues for this community and continue to be top priorities for the current administration. The County identified opportunities, service efficiencies and new concepts for moving residents and visitors from one place to another. This required a reorganization of functions within Miami-Dade County government. This reorganization was implemented retroactively to the period commencing on October 1, 2015. As a result, the Department of Solid Waste Management (DSWM) proceeded to separate its activities from those of Public Works with the Mosquito Control Division (formerly included in Public Works' Road, Bridge, Canal and Mosquito Control Division) remaining with DSWM. However, the Mosquito Control Division is not part of the Waste Management Enterprise Fund.

Since the reorganization, the collection and disposal activities of the 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 nine 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, Village of Pinecrest and the City of Opa-Locka. The Department has entered into long-term interlocal agreements with 15 municipalities to provide solid waste disposal services and 9 municipalities for curbside recycling. In fiscal year 2018, the Department received waste from 20 of the 34 municipalities in the County. *See Tables IIIB and XIV.

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 (TRC). 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 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 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 the municipalities of Aventura, Cutler Bay, Doral, Miami Gardens, Miami Lakes, Opa-Locka, Palmetto Bay, Pinecrest and Sunny Isles Beach. With the exception of Aventura and Opa-Locka, 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 un-containerized 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 thirteen Trash and Recycling Centers located throughout the Waste Collection Service Area. 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 visible and successful residential curbside recycling program continues to provide every-other-week single-stream collection service. During fiscal year 2018, residents recycled approximately 58,450 tons of material. Residents place all recyclable materials (both fiber and rigid containers) in one wheeled cart. This program serves more than 352,000 households which include the unincorporated area, the nine cities in the Waste Collection Service Area and nine municipalities (serviced through interlocal agreements).

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 outreach activities conducted in fiscal year 2018, the Department enhanced the companion advertising campaign titled "Recycle This, Not That" which was developed to further educate residents about acceptable recyclable materials to reduce contamination by including an information piece titled "Recycling Correctly Matters". The brochure, which was mailed to all residential households that receive curbside recycling service, listed the major contaminants to the recycling stream, how they distress the program and how they can disable equipment. In an effort to reduce contamination, the Enforcement Division began a Contamination Abatement Program and canvassed recycling routes to identify recycling carts containing incorrect materials.

The Department again participated as a sponsor of the Miami-Dade County Fair and Exposition. The 26-day exposition enabled the Department to showcase the ongoing "Recycle This, Not That" campaign in a 10 x 10 booth in the main corridor. More than 500,000 visitors had access to a wealth of trilingual information on proper recycling. The Department continued to participate in WE+LAB (Waste and Energy Learning and Behavior) workshops that reach residents with information about conservation, recycling, and proper home chemical disposal.

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 gallon 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, LLC.

A portion of the solid waste generated in the County is delivered to the County's transfer stations by County, 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 Department of Solid Waste Management's Code Enforcement Division continues to play an important role in addressing aesthetics within our business and residential communities. The Division is comprised of waste enforcement officers, as well as 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 ensures 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 in County rights-of-way are illegally dumped or proper-


WE MAKE ELECTRICITY FROM
1.3 MILLION TONS OF WASTE.
NOTHING GOES TO WASTE
WWW.MIAMIDADE.GOV/ENERGYFROMWASTE
CAUTION

ly scheduled for pick-up. Additionally, the Division works closely with the Finance Department's Credit and Collection Section to collect outstanding debt owed to the Department. The Division is responsible for 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 34 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.

The Division plays a significant role in hurricane recovery efforts. During Hurricane Irma's recovery stage, waste enforcement officers played a key role by undertaking road clearing assignments, conducting debris assessments, monitoring debris removal progress by contractors and responding to complaints. The Division is well versed and experienced in working with the Federal Emergency Management Agency (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 reduction of waste in a 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.

During fiscal year 2018, there were no incidents at the RRF resulting in issuance of a Warning Letter by the FDEP.

With respect to other Department facilities, there were no incidents resulting in enforcement actions by FDEP, by the local agency, RER, or by other environmental regulatory agencies having jurisdiction over the Department's activities and facilities during fiscal year 2018.

Significant environmental programs such as the operation of landfill gas control systems, operation of the South Dade Landfill groundwater remediation system, 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 2018.

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 percent 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, electronics 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 21,100 tons of aluminum, ferrous and non-ferrous metal recovered at the Resources Recovery Facility. In addition, drop-off programs at Neighborhood Trash and Recycling Centers contributed approximately 2,200 tons.

In fiscal year 2018, the single-stream residential recycling program collected approximately 58,450 tons. The recycling stream was made up of approximately 28,600 tons of paper (including newspaper, cardboard, junk-mail and other paper), approximately 11,100 tons of aluminum, glass, plastic and steel containers and approximately 18,700 tons of other.

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 Technical Services and Environmental Affairs Division. 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 2018, at the HC2 Centers, Miami-Dade residents safely disposed of approximately 257,459 pounds of chemical hazardous wastes and approximately 431,629 pounds of latex paint. Residents also disposed of approximately 25,520 gallons of used oil by means of the Used Oil Collection sites at three different Trash and Recycling Centers (Moody Drive, Golden Glades and Snapper Creek) and the two permanent HC2 Centers. Lastly, 1,396,175 pounds of electronic waste, such as CPUs, computer monitors, TVs, etc. (collectively termed "E-waste"), were recycled through a program conducted at eight Trash and Recycling Centers, a drop off station at the City of Homestead Solid Waste Operations yard, and the permanent HC2 Centers. (Presented in exact figures herein in order to tie to pounds reported on table VIII).

The Department delivered trash to the County's Resources Recovery Facility to be reduced and converted into a marketable biomass fuel. The Recyclable Trash Improvement (RTI) plant has a capacity of 240,000 tons per year. This biomass fuel product is used to power the Ridge Energy Plant, a co-generation facility in Auburndale, Florida. The annual amount of biomass fuel produced using the RTI system is contingent upon this facility's operational needs and demand for the fuel. The Resources Recovery Facility produced approximately 17,000 tons of biomass for export during fiscal year 2018. This represented a decline from approximately 54,000 tons of biomass for export during fiscal year 2017. The decline was the result of interruptions at the Resources Recovery Facility and change in the waste stream caused by Hurricane Irma (the majority of the yard waste was reduced and exported out).

Department Facilities

<u>Disposal Facilities</u>

The active elements of the solid waste disposal system are as follows:

- Resources Recovery Facility owned by the County and operated under a Management Agreement with Covanta Dade Renewable Energy, LLC.
- 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.
- 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.
- Three regional waste transfer stations.
- Contract disposal with Waste Management, Inc. of Florida that allows for the County to dispose of garbage and trash at the Medley Landfill, the Monarch Hill Facility in Broward County, Florida, and the Okeechobee County Landfill. This contract is effective until September 30, 2035, with provision for two additional five-year mutual options for renewal. The annual waste disposal capacity available to the County under the terms of this agreement is 1.25 million tons.
- Contract disposal with Progressive Waste Solutions of Florida, Inc. for use of the JED Landfill in St. Cloud Florida. The contract is effective until 2025, with provision for two additional five-year mutual options for renewal. The annual waste disposal capacity available to the County under the terms of this agreement is 500,000 tons.

<u>Landfills</u>

The Department operates three landfills: the South Dade Landfill at 23707 SW 97 Avenue, Miami, Florida, the North Dade Landfill at 21500 NW 47

Avenue, Miami, Florida, and the Ash Landfill at 6990 NW 97 Avenue, Doral, Florida. 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 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 Ridge Energy Plant, co-generation Facility in Auburndale, Florida.

Transfer Facilities

The County operates three regional transfer stations: (1) the Northeast Transfer Station, located at 18701 N.E. 6th Avenue; (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. 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. The regional transfer stations (Northeast, Central, and West) are an essential part of the County's integrated solid waste management system by increasing the efficiency of disposal of solid waste generated in the incorporated and unincorporated areas of the County. A portion of the solid waste generated in the County is delivered to the transfer stations by County, municipal and private collection vehicles where it is reloaded into large transfer trailers for transport 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.

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 shredded tires, rejects, non-processables, etc., in-between facilities. To reduce queuing time at The Resources Recovery Facility during peak waste delivery hours, the County uses a night shift transfer operation to transport solid waste from the Landfills and Transfer Stations to the Resources Recovery Facility, Monday through Friday, between the hours of 2:30 PM and 1:00 AM.

Waste Collection Facilities

Thirteen Trash and Recycling 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.

Trash and Recycling 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
- 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

Sites for Home Chemical Collection Centers

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


MIAMI-DADE
COUNTY


RECYCLE
this
Keep Your
Cart Happy :)
HAZARDOUS WASTE
RECYCLING
CORRECTLY
MATTERS!
DRAIN
NOT that
Keep Your
Cart Happy :)

Collection Vehicles 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 serving 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 ensuring that solid waste disposal needs are met in both the incorporated and the unincorporated areas of the County. The County's System, which includes County-owned solid waste disposal facilities and those operated under contract with the County, must have disposal capacity sufficient to accommodate waste volumes generated within the County for a minimum of five (5) years. The County is also required by USEPA and FDEP to close and perform post closure care for its landfills in compliance with current regulations. In addition to the requirements 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.

During fiscal year 2018, the County continued construction of Cell 5 at South Dade Landfill. Cell 5 construction is expected to be complete by August 2019.

During fiscal year 2018, the Department made timely submittals of all required monitoring reports to the federal, state, and local environmental regulatory agencies.

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

The analysis below was compiled by the Miami-Dade County, Department of Regulatory and Economic Resourses.

One year ago, in the year-end outlook for the local economy it was anticipated that the level of economic activity in Miami-Dade would continue to grow in fiscal year 2018 at least at the levels achieved in fiscal year 2017. The reasoning behind this outlook was that fiscal year 2017 was negatively affected by Hurricane Irma and that the recently passed tax overhaul would boost economic activity. Prospects for growth of the United States' economy were thought to accelerate to 2.5 percent as reported by the Organization for Economic Co-operation and Development (OECD) due to the structuring of the 2017 passed tax overhaul, investment spending would see a measurable increase, as well as more personal consumption derived from increased disposable income. Economic growth in the emerging markets and more importantly Latin America was expected to improve as the world entered the first worldwide concerted bout of growth since 2010. Forecasts for Brazil, Mexico, Argentina, Chile and Colombia, all pointed to stronger growth in 2018. The recent pullback of the US dollar, the continued strengthening of Latin American economies, coupled with the increase in investments and consumer spending in the United States were expected to increase trade in the Miami Customs District. And, depending on which of these forces enacted a stronger influence, the District's trade surplus would have expanded or contracted. Real estate and construction activity in fiscal year 2018 were expected to continue to benefit from foreign buyers returning while at the same time suffer from the effects of years of real estate appreciation affecting affordability for residents. Miami-Dade's employment would continue to grow given the health of the overall economy, but at a slower pace given that both idle workers and economic resources would be harder to come by. The higher utilization rate of economic inputs coupled with a more restrictive immigration approach by the administration, and a deficit financed tax overhaul would lead to higher wages and ultimately exert upward pressure on prices.

This forecast of fiscal year 2017 turned out to be a fair assessment of what actually took place at the international, national and local levels.

At the national level fiscal year 2017 saw an upswing in economic activity, with real gross domestic product (GDP) increasing at an annual rate of 2.7 percent, compared to an increase of 2.1 percent in the prior year. The acceleration in GDP growth was brought about by a level of investment that went from 3.8 percent in fiscal year 2017 to 5.4 percent in fiscal year 2018 and by a more favorable Net Exports component going from negative 9.9 percent in fiscal year 2017 to negative 6.5 percent in fiscal year 2018. Alongside the increased economic activity, and due in part to energy prices rebounding somewhat, inflation increased from fiscal year 2017 2.1 percent to 2.4 percent. This uptick in the level of inflation came on the heels of a decrease of the headline unemployment rate of 50 basis points to 4.0 percent, the lowest level in at least 15 years.

At the County level the signs of an economy functioning at or near the mature stage of the cycle were clearly visible. Fiscal year 2018 closed with the lowest unemployment rate since fiscal year 2007 and after adding a smaller number of workers to payrolls, fiscal year 2018 ended with the highest number of employed persons ever. The residential real estate market continued to moderate with permits for new residential construction remaining flat over the previous year and with single-family home sales declining for the third year in a row.

Several indicators rebounded from the effects of Hurricane Irma that negatively affected their values in fiscal year 2017. Of note are taxable sales, number of visitors to Miami and passenger traffic moving through Miami International Airport, all of which expanded in fiscal year 2018 compared to fiscal year 2017.

What follows is an overview of the economic conditions throughout the past year and a brief discussion about the trends associated with the area's key economic drivers.

During fiscal year 2018 nonagricultural wage and salary employment (annual average) recorded an overall gain of approximately 18,000 jobs. This was an increase of 1.5 percent, to put total employment at a record high of 1,189,200 according to non-seasonally adjusted data from the Bureau of Labor Statistics. This gain in employment represented a slowdown from the prior fiscal year. It also represents the third consecutive year of deceleration, signaling a maturing labor market characterized by less slack. At the same time, slower expansion of the labor force compared to the expansion of employment resulted in a decrease in the unemployment rate. The average annual unemployment rate for the year stood at 4.6 percent, compared to 5.0 percent a year earlier. Moreover, the unemployment rate for the month of September 2018 stood at 4.0 percent, 0.7 points lower than in September 2017 when it stood at 4.7 percent.

In contrast to a year prior when the growth of employment was experienced by government and most private industrial sectors, the current year saw a modest drop in half of the private industrial sectors as well as in government. Strong showing in the other half of private industrial sectors resulted in a net overall gain of 18,000 jobs for the county. All three goods producing sectors experienced employment growth in excess of 10 percent.

Traditionally, the real estate sector in Miami-Dade County is viewed as one of the most important measures of the County's economic health. In fiscal year 2018, as prices continued to rise, single family home sales contracted for the third year in a row, while condominium sales increased, reversing a four-year decline, closing at just over 13,600 units. This is well below the peak of 17,221 in fiscal year 2013. At the same time distressed market activity continued to decrease, as new foreclosure filings fell by more than 24 percent, continuing a downward trend now in its sixth year.

During fiscal year 2018 sales of existing single-family homes decreased slightly compared to the prior fiscal year with just over 12,800 homes sold. Sales of condominiums increased 4.7 percent over the prior year with just over 13,600 units sold. Cash sales accounted for 52.3 percent of all condo sales in fiscal year 2018 down from 56.4 percent in fiscal year 2017. Much of this investor-cash activity can be attributed to the foreign-based demand for housing, especially from South America.

Following a 9 percent drop for residential units permitted in fiscal year 2016, fiscal year 2018 marked the second year in a row that saw permitting activity remain essentially flat. Over the year, permits were issued for the construction of 10,366 residential units.

The commercial/industrial components of the real estate market showed little change in fiscal year 2018 compared to the previous year with the exception of retail rental rates. Office vacancy held steady at 8.1 percent, average rent rate per square foot inched higher, up 1.6 percent. The retail vacancy rate held steady at 3.6 percent. Average lease rates for retail stand-alone space were up 9.2 percent year over year to $39.27 per square foot while average lease rates in shopping centers increased 8.3 percent from fiscal year 2017 to $32.78 per square foot. The industrial market saw an increase in vacancy rate from 3.6 percent in fiscal year 2017 to 3.9 percent in fiscal year 2018. Average lease rates for industrial space were up 6.1 percent in fiscal year 2018 compared to fiscal year 2017 to settle at $12.19 per square foot.

Taxable sales in fiscal year 2018 reached $55.2 billion dollars after increasing an inflation adjusted 4.6 percent from fiscal year 2017. Part of this increase derives from sales in fiscal year 2017 being negatively affected by Hurricane Irma.

After suffering losses in every category with the exception of business in fiscal year 2017, taxable sales increased across the board in fiscal year 2018. In percentage terms, the strongest performing sectors were business (+8.4%), construction (+6.3%) and consumer durables (+6.2%). Given the distorting effect of Hurricane Irma on the fiscal year 2017 values and these values being almost across the board lower than those of fiscal year 2016, it is worth comparing fiscal year 2018 to fiscal year 2016, and in this sense, the only category that remained below its fiscal year 2016 level in fiscal year 2018 was automobile by 4 percent. The strengthening of taxable sales was reflected in an Index of Retail Activity that increased by 3.6 percent in fiscal year 2018 after staying flat between fiscal year 2016 and fiscal year 2017.

International trade and commerce is a key component of Miami-Dade's economy. Since achieving its highest level ever measured by value ($135.3 billion 2018 inflation adjusted dollars) in fiscal year 2013, merchandise trade passing through the Miami Customs District (that includes an area broader than Miami-Dade) has fallen 13.8 percent to $116.6 billion in fiscal year 2018.

In contrast to the recurring merchandise trade deficits that the United States maintains year after year, the Miami Customs District exports more than it imports resulting in a trade surplus. The surplus had been broadening in the two years leading up to fiscal year 2018. This trend can be seen in fiscal year 2018 when exports registered an increase of 6.2 percent compared to an increase of 0.2 percent during the prior year. Imports decreased by 13.9 percent following a decrease of 8.5 percent in the prior year. Most of the Miami Customs District export markets are in South America, Central America, and Europe accounting for nearly 90 percent of the total. In addition, the majority of all U.S. imported perishables from South America, Central America, and the Caribbean are passing through the Miami District.

The state of Florida played host to more than 124 million overnight visitors for the first time in fiscal year 2018. Miami-Dade accounted for just over 13 percent of all visitors to the state.

Visitors to the Miami area increased by 3.8 percent in fiscal year 2018, after falling by 0.7 percent the previous year, mainly thanks to Hurricane Irma. In total, there were 16.3 million overnight visitors, up from 15.7 million recorded in fiscal year 2017. The increase in visitors came from an increase in domestic and international visitors, both up by roughly 3.8 percent.

After a lower number of visitors coupled with an increased hotel room inventory in fiscal year 2017 led to a reduction in hotel occupancy rates to 75.2 percent, there was a recovery in fiscal year 2018 reaching 77.7 surpassing the 77.3 percent level of fiscal year 2016. The average hotel room rate increased 12 dollars between fiscal year 2017 and fiscal year 2018 to 196 dollars.

As mentioned in the introductory section, since fiscal year 2016 the Miami-Dade economy has displayed signs of a mature phase of the economic cycle, in such a phase employment is high and grows at a slow pace, the unemployment rate is low and if it drops, it does so, modestly, and prices tend to start rising. Going forward, fiscal year 2019 will continue to operate under these same dynamics. This time, however, there is a diminished likelihood of improvement and a higher likelihood of softening given that fiscal year 2018 did not suffer from a negative shock as fiscal year 2017 did with Hurricane Irma, and given that the economic news is not a recently passed stimulative tax code overhaul but a government shutdown, uncertain international trade outlook and a possible hard Brexit on the horizon.

Because of its location and economic trade and tourism ties, Miami-Dade's economy is influenced by developments in both the broader US and Latin American economies.

On the domestic front, the stimulative effect of the 2017 deficit financed tax overhaul is likely to start waning. This, coupled with government gridlock at the federal level due to the post-2018-elections-divided government and continued trade dispute-imposed tariffs, will pose significant headwinds to economic activity resulting in a slowdown of economic growth. These headwinds will likely give pause to the Federal Reserve resulting in little to no further interest rate hikes providing a backstop to the expected slowdown.

Prospects for growth of the United States' economy are thought to decelerate to 2.3 percent in calendar year 2019 from 3.1 percent in calendar year 2018 according to the Congressional Budget Office and by a slightly lesser degree by the International Monetary Fund (IMF) and the Organization for Economic Co-operation and Development (OECD).

Economic conditions in Latin America, after underperforming expectations in 2018, should improve in 2019. Forecasts for Brazil, Chile and Colombia point to stronger growth in 2019, while Argentina, Mexico and Venezuela are expected to perform worse than in 2018.

The slowing growth in the US economy coupled with the sluggish recovery of the Latin American region is likely to result in little change in trade in the Miami Customs District.

Real estate and construction activity in fiscal year 2019 is expected to continue at fiscal year 2018 levels with price appreciation softening after years of brisk increases that have affected affordability for residents.

Employment should continue to grow, but at a slower pace given that both idle workers and economic resources are harder to come by. The higher utilization rate of economic inputs coupled with a more restrictive immigration approach by the administration, should lead to higher wages and ultimately exert upward pressure on prices.

Evaluating all the likely developments in major areas of the economy leads to a forecast that the Miami-Dade economy appears poised to continue growing through fiscal year 2019, at a somewhat slower rate than during the previous fiscal year. The degree of expansion will depend upon the stability in government employment, the level of growth in investments by firms, the level of growth in tourism and growth rates in Central and South America and the Caribbean.

The following paragraphs were compiled by the Department of Solid Waste Management, Budget and Fiscal Management Division.

For fiscal year 2019, the Department conservatively projects steadiness in the Collection Fund revenues due to minimal customer growth, and signs of improvement in the local construction market which are promising over the longer term. The Waste Collection Operation's continual challenge is to deliver excellent service to its customers with minimal revenue growth and aging fleet that needs to be replaced. Therefore, the Department continues to monitor expenditures and search out and implement operating, efficiencies to sustain the Collection Operations for another fiscal year while also dealing with the aftermath of Hurricane Irma.

The Disposal Fund is realizing revenue growth, due primarily to economic growth reflected in the full fee revenue ton levels. The fiscal year 2019 Adopted Budget includes an increase of 2.71 percent Consumer Price Index (CPI) South All Urban Consumers to the Contract Disposal Rate, from $61.01 per ton to $62.67 per ton. The Disposal Rate is applicable to all contracts and interlocal agreements as of October 1, 2018 and designed to align with long term Disposal revenues with Disposal expenses.

In the fiscal year 2019 adopted budget, the Department continues to receive two percent of the Utility Service Fee (USF), to fund remediation and other USF eligible projects. The Department anticipates slightly weaker energy revenues as a result of the lower rates in the existing Power Purchase Agreements. Nevertheless, the Department is estimating that the Disposal Fund will more than adequately manage the coming year, while potentially facing financial challenges over the long-term.

Long-term Financial Planning

The DSWM continues to maintain long-term financing for the construction and acquisition of solid waste system assets. The fiscal year 2019 Adopted Capital Budget and Multi-Year Capital Improvement Plan includes programmed expenditures for fiscal year 2019 and the next five fiscal years through fiscal year 2024 totaling $156.551 million. These projects include approximately $30.009 million in groundwater remediation, closure and other environmental improvement projects at the Department's facilities; $37.356 million in other collection and disposal facility improvements, which include landfill cell construction and transfer station improvements; and approximately $46.360 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 2019 include:

- Completion of construction of the South Dade Landfill Cell No. 5.
- Continue the Trash and Recycling Center Improvements.
- Continue with the 58th Street Home Chemical Collection Center and area drainage improvements.
- Continue the construction of the new West Transfer Station Scale House.

The Department continues to evaluate and utilize short-term financing for heavy equipment and vehicle replacement needs. Aging vehicles spur our desire to evaluate new technology (i.e. hybrids, CNG and electric).

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 Waste Management Enterprise Fund of Miami-Dade County's Department of Solid Waste Management (formerly known as Public Works and Waste Management Department) for its Comprehensive Annual Financial Report for the fiscal year ended September 30, 2017.

This was the 24th consecutive year that Waste Management Enterprise Fund (under this structure and as the Department of Solid Waste Management) 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.

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 and the Miami-Dade County Commissioners for their continued support in enabling Waste Management Enterprise Fund to fulfill its role in delivering a highly efficient and effective countywide integrated solid waste service to the community.

Respectfully submitted,

Alina T. Hudak
Deputy Mayor and Director DSWM

Michael W. Ruiz
Assistant Director – Administration

Michael Fernandez
Deputy Director for Waste Operations

Maria Sanchez, CPA
Controller

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

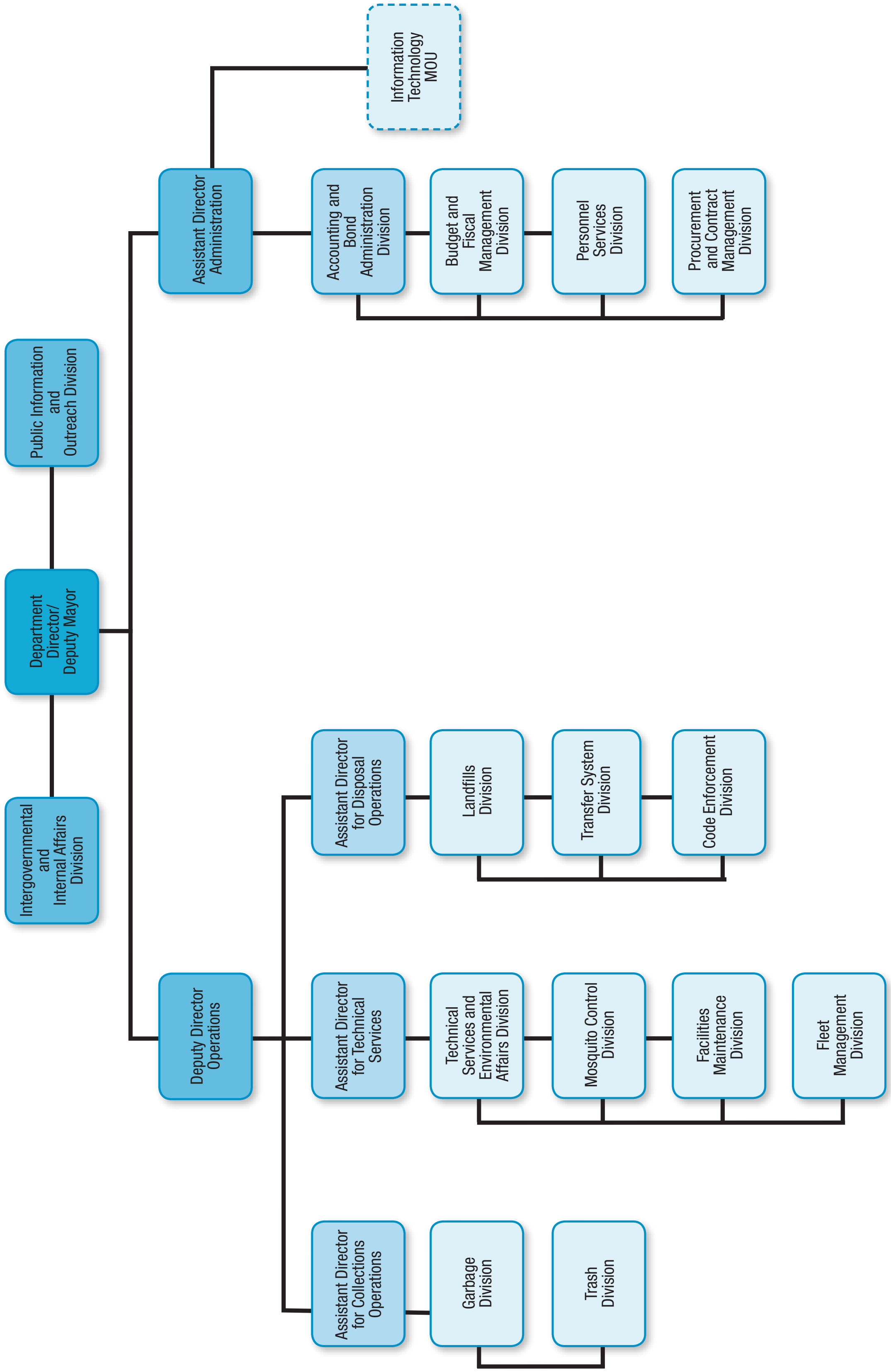
Waste Management Enterprise Fund

Florida

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

September 30, 2017

Executive Director/CEO



Miami-Dade County
Department of Solid Waste Management
Table of Organization: FY 2018

Financial Section

RSM US LLP

Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the Waste Management Enterprise Fund of the Department of Solid Waste Management (Waste Management) of Miami-Dade County, Florida, an enterprise fund of Miami-Dade County, Florida, as of and for the year ended September 30, 2018, and the related notes to the financial statements, which collectively comprise Waste Management's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Waste Management Enterprise Fund of the Department of Solid Waste Management of Miami-Dade County, Florida, as of September 30, 2018, and the changes in financial position and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in note 1, the financial statements present only the Waste Management Enterprise Fund of Miami-Dade County, and do not purport to, and do not, present fairly the financial position of the Department of Solid Waste Management or Miami-Dade County, Florida as of September 30, 2018, its changes in financial position, or where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

As discussed in Note 1 to the accompanying financial statements, Waste Management adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, effective October 1, 2017. The net position balance of Waste Management as of October 1, 2017, has been restated. Our opinion was not modified with respect to this matter.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise Waste Management's basic financial statements. The 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 supplementary financial section is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary financial section is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 27, 2019 on our consideration of Waste Management's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Waste Management's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Waste Management's internal control over financial reporting and compliance.

RSM US LLP

Miami, Florida
March 27, 2019

Management's Discussion and Analysis (Unaudited)

The Waste Management Enterprise Fund ("Waste Management"/"WM") of Miami-Dade County's Department of Solid Waste Management Department (the "Department"/"DSWM") presents the following Management's Discussion and Analysis (MD&A). References herein to the Department of Solid Waste Management, "DSWM", 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 year ended September 30, 2018. 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 2018

- At September 30, 2018, the Department's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $147.8 million ("net position") as compared to $277 million as of September 30, 2017. Of the total $147.8 million in net position as of September 30, 2018, $105.9 million represented net investment in capital assets; $108 million was restricted for debt service, groundwater protection and reserves; the remaining balance of ($66.1) million represented net position's deficit in the unrestricted portion.

- Total net position declined by $129.2 million, reflecting total expenses in excess of total revenues of $110.3 million combined with an $18.9 million adjustment to restate beginning net position (pursuant to the implementation of GASB Statement No. 75) for the fiscal year ended September 30, 2018.

- For the fiscal year ended September 30, 2018, the Department's operating revenues increased by $7.8 million.

- For the fiscal year ended September 30, 2018:
  - — Operating expenses before depreciation and closure and postclosure care costs for the inactive landfills increased $7 million.
  - — Depreciation expense decreased $1.4 million.
  - — Closure and postclosure care costs for inactive landfills expense decreased to $217 thousand.
  - — Non-operating expenses net of non-operating income increased by $126.9 million, resulting from the recognition of Hurricane Irma expenses.
  - — Capital contributions increased by $2.9 million.

- The Department's bonds payable decreased by $13.1 million during the fiscal year ended September 30, 2018.

Waste Management Enterprise Fund's Highlights

Fiscal Year 2018

- During the fiscal year ended September 30, 2018, the Department serviced approximately 337,750 residential units, approximately 3,750 household/commercial accounts and approximately 1,100 commercial accounts. This represents an overall increase of 1.002% over the fiscal year ended September 30, 2017.

- The annual fee for curbside collection increased to $464 in fiscal year 2018 from $439 per household in fiscal year 2017.

- During fiscal year ended September 30, 2018, disposal equivalent revenue tons totaled approximately 1.870 million tons, an 11.6% increase when compared to the fiscal year ended September 30, 2017.

- The disposal contract tipping fee was $61.01 per ton during the fiscal year ended September 30, 2018, a reduction of 8.65% when compared to the fiscal year ended September 30, 2017.

- During fiscal year 2018, additions to the Department's capital projects totaled approximately $9.5 million.

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 Statement of Net Position includes all of the Department's assets, deferred outflows, liabilities and deferred inflows providing information about the nature and amounts of resources (assets and deferred outflows) and obligations to creditors (liabilities and deferred inflows) with the difference between total assets & deferred outflows and liabilities & deferred inflows reported as net position at September 30, 2018. The increases and decreases in net position may serve as a valuable indicator of whether the financial position of the Department is improving or deteriorating over time. This statement may 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 Statement of Revenues, Expenses and Changes in Fund Net Position for the fiscal year ended September 30, 2018. This statement measures the level of success by the Department's operations in fiscal year 2018. This statement 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 Statement of Cash Flows provides information about the Department's cash receipts and cash disbursements during the fiscal year ended September 30, 2018. This statement reports 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 Statement of Net Position and the Statement of Revenues, Expenses and Changes in Fund Net Position 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 statements report the net position of the Department and changes in them. The difference between assets & deferred outflows and liabilities & deferred inflows is one way to measure financial health or financial position. Over time, increases or decreases in the Department's net position 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 position (Table I) at the end of the fiscal years 2018 and 2017 and changes in net position (Table II) during the fiscal years 2018 and 2017.

The Department's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $147.8 million, $277 million at September 30, 2018 and 2017, respectively.

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

Table I

Miami-Dade County, Florida
Department of Solid Waste Management
Waste Management Enterprise Fund

Net Position

	At September 30,	
	2018	2017
	(In thousands)	
ASSETS		
CURRENT ASSETS		
Total Unrestricted Assets	**$ 109,236**	$ 243,094
Total Restricted Assets	**14,886**	19,932
Total Current Assets	**124,122**	263,026
NON-CURRENT ASSETS		
Total Restricted Assets	**137,225**	133,918
Total Capital Assets	**167,988**	141,554
Total Other Assets	**1,451**	1,389
Total Non-Current Assets	**306,664**	276,861
TOTAL ASSETS	**430,786**	539,887
Deferred Outflows of Resources	**21,103**	21,180
TOTAL ASSETS & DEFERRED OUTFLOWS OF RESOURCES	**451,889**	561,067
LIABILITIES		
CURRENT LIABILITIES		
Total Payable from Unrestricted Assets	**23,875**	26,473
Total Payable from Restricted Assets	**14,886**	19,932
Total Current Liabilities	**38,761**	46,405
LONG-TERM LIABILITIES		
Total Long-Term Liabilities	**258,548**	233,836
TOTAL LIABILITIES	**297,309**	280,241
Deferred Inflows of Resources	**6,809**	3,815
TOTAL LIABILITIES & DEFERRED INFLOWS OF RESOURCES	**304,118**	284,056
NET POSITION		
Net Investment in Capital Assets	**105,895**	93,727
Restricted	**107,985**	89,558
Unrestricted (deficit)	**(66,109)**	93,726
TOTAL NET POSITION	**$ 147,771** (1)	$ 277,011

(1) Beginning balance -FY2018 , 10/1/2017 was restated = $258,028 - See Notes to the financial statements.

Fiscal Year 2018
As of September 30, 2018, Net Investment in Capital Assets constituted 72% of the Department's net position.

The Department uses these assets such as land, buildings, construction in progress, furniture, fixtures, machinery and equipment 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 in Net Investment in Capital Assets, 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. Net Investment in Capital Assets increased to $105.9 million at September 30, 2018, from $93.7 million at September 30, 2017. This increase was the combined result of the increase in the balance for capital assets (net of accumulated depreciation), and lower balances in bond and capital lease payables and deferred inflows for the deferred gain on the debt refunding, partially offset by decreases in unused proceeds from bond and capital lease payables and lower unused closure grant proceeds. The balances related to debt have been applied to the figures representing both Net Investment in Capital Assets and Restricted Net Position (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 position represents resources that are subject to external restrictions on how they may be used. Restricted Net Position increased to approximately $108 million at September 30, 2018, from $89.6 million at September 30, 2017. This increase reflected the effects of higher balances in ground water protection partially offset by lower balances in debt service and operating reserves. The balance in rate stabilization and bond reserve remained the same. Additional information concerning the Department's restricted assets can be found in Note 5 to the financial statements.

The remaining balance of ($66.1) million represents net position's deficit in the unrestricted portion of net position at September 30, 2018, a decline of $159.8 million from $93.7 million in fiscal year 2017. This decline primarily reflected the impact of Hurricane Irma expenses ($142 million recognized in fiscal year 2018), which had not been reimbursed by FEMA as of September 30, 2018 (FEMA had not obligated or reimbursed the Department for Hurricane Irma expenses as of September 30, 2018. Such reimbursement would have been recorded as a credit to hurricane expense, thereby resulting in a lower net hurricane expense), combined with the effects of $18.9 million for the restatement of net position at 10/1/2017, partially offset by a $1.1 million reduction in operating expenses. The last two resulting from the recognition of the OPEB liability pursuant to the implementation of GASB Statement No. 75 in fiscal year 2018. As of September 30, 2018, FEMA had not made any reimbursement to DSWM for Hurricane Irma expenses incurred in fiscal years 2018 and 2017, respectively. The unrestricted portion of net position generally represents balances, which may be used to meet the Department's obligations to customers, employees and creditors. These balances in unrestricted net position also reflected the impact of the Department's ongoing recognition of the liability for closure and postclosure care costs totaling $80.4 million and $74.4 million as of September 30, 2018 and 2017, respectively. Additional information concerning the Department's liability for closure and postclosure care costs can be found in Note 10 to the financial statements.

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

TABLE II

Miami-Dade County, Florida
Department of Solid Waste Management
Waste Management Enterprise Fund

Changes In Net Position

	For Fiscal Years Ended September 30,	
	2018	2017
	(In thousands)	
Operating revenues		
Solid waste disposal services	**$ 74,697**	$ 64,599
Solid waste collection services	**157,373**	148,273
Utility service fees	**18,924**	32,857
Electricity sales	**10,043**	8,907
Other operating revenues	**18,153**	16,811
Total operating revenues	**279,190**	271,447
Interest income	**3,408**	1,362
Total Revenues	**282,598**	272,809
Operating expenses excluding depreciation and closure & postclosure care costs for inactive landfills	**242,462**	235,546
Depreciation	**11,492**	12,874
Closure & postclosure care costs (recovery) for inactive landfills	**217**	940
Interest expense	**961**	3,541
Closure grant	**339**	1,594
Other non-operating expense, net	**140,926**	8,145
Total Expenses	**396,397**	262,640
Excess before Capital Contributions	**(113,799)**	10,169
Capital Contributions	**3,542**	574
Changes in Net Position	**(110,257)**	10,743
Total Net Position, beginning of the year (*as restated)	**258,028** * (1)	266,268
Total Net Position, end of the year (*as restated)	**$ 147,771**	$ 277,011

(1) Beginning balance -FY2018 , 10/1/2017 was restated = $258,028 - See Notes to the financial statements.

The net position decreased $129.2 million in fiscal year 2018 as compared to an increase of $11 million in fiscal year 2017.

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 2018

Operating revenues increased by $7.8 million from $271.4 million in fiscal year 2017 to $279.2 million in fiscal year 2018 reflecting the combined effects of higher balances in Disposal and Collection Services Revenues, Electricity Sales and Other Operating Revenues partially offset by lower Utility Service Fee Revenues.

Disposal Services Revenues increased from $64.6 million in fiscal year 2017 to $74.7 million in fiscal year 2018. This increase reflected the effects of higher equivalent revenue tons received by the Disposal System partially offset by lower disposal tipping fee rates for the contractual customers in fiscal year 2018. Equivalent revenue tons increased to 1.870 million tons in the fiscal year ended September 30, 2018, from 1.675 million tons in the fiscal year ended September 30, 2017. Disposal tipping fees decreased from fiscal year 2017 to fiscal year 2018 from $66.79 per ton to $61.01 per ton for contractual customers, while increasing from $88.06 per ton to $89.38 per ton for non-contractual customers and from $13.13 per ton to $13.33 per ton for the additional fee paid by those customers utilizing the Department's transfer stations.

Solid Waste Collection Services Revenues increased by $9.1 million to $157.4 million in fiscal year 2018 from $148.3 million in fiscal year 2017. This increase reflected the combined effects of higher waste fees charged to the residential household combined with a slightly higher number of household units in fiscal year 2018. Collection services revenues are derived primarily from the curbside collection of garbage and trash. Fees for collection services increased in fiscal year 2018 as compared to fiscal year 2017, as follows: from $439 in fiscal year 2017 to $464 per household in fiscal year 2018 for residential curbside collection and from $339 in fiscal year 2017 to $358 per unit in fiscal year 2018 for residential container service per household. The rollaway service waste fees remained the same ranging from $236.11 to $956.39 depending on ownership, frequency of service and container size. During the fiscal year ended September 30, 2018, the Department serviced approximately 337,750 residential (household) units, approximately 3,750 household/commercial accounts and approximately 1,100 commercial accounts as compared to approximately 334,500 residential (household) units, approximately 3,700 household/commercial accounts and approximately 1,000 commercial accounts during the fiscal year ended September 30, 2017.

Electricity Sales increased $1.1 million to $10 million in fiscal year 2018 from $8.9 million in fiscal year 2017. This increase in fiscal year 2018 reflected the impact of the contract with the City of Homestead for the sale of electricity partially offset by lower sales to Duke Energy, Rainbow Energy Marketing Corporation and Florida Power and Light. The sales to the City of Homestead commenced in June, 2017. Electrical revenues are generated pursuant to arrangements for the sale of electricity generated at the Resources Recovery Facility. These revenues, net of costs to FP&L for services in connection with transmission, interconnection and other, are shared equally with the Facility's Operator.

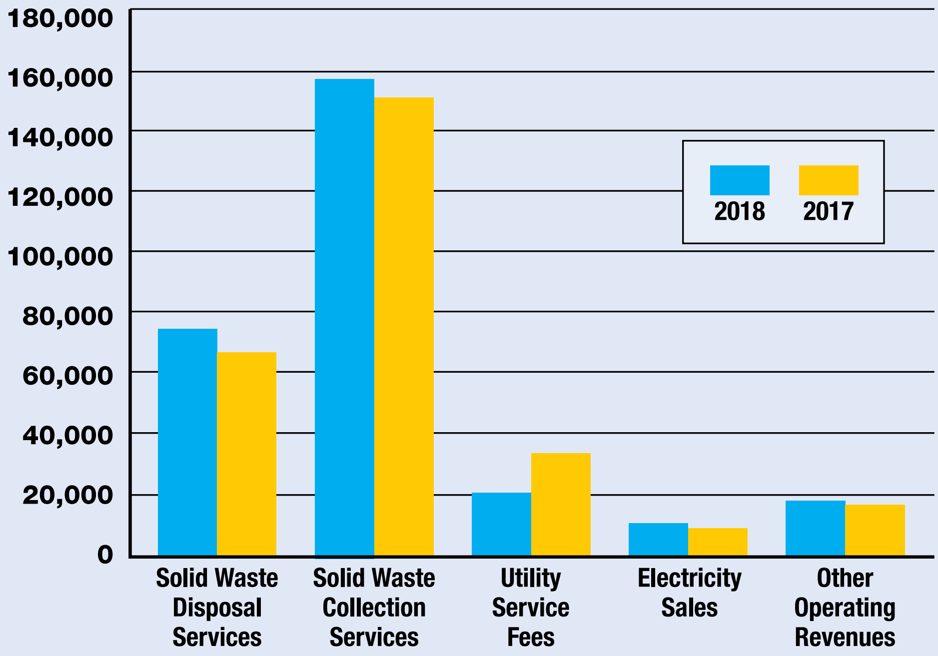
Other Operating Revenues reflected an increase of $1.4 million to $18.2 million in fiscal year 2018 from $16.8 in fiscal year 2017. Other Operating Revenues include Disposal Facility Fee Revenues, office rental income, parking lot revenue, landfill gas revenue, code enforcement fines, land lease revenue permit fees and other miscellaneous. This increase in fiscal year 2018 principally resulted from higher Disposal Facility Fee Revenues (net of discount) combined with higher miscellaneous revenue, land lease revenues, code enforcement fines and revenues from landscaper permits minimally offset by lower revenue from landfill gas and rental income & parking lot revenues.

Utility Service Fee Revenues reflected a $13.9 million decrease from $32.8 million in the fiscal year ended September 30, 2017 to $18.9 million in fiscal year 2018. This decline reflected the reduction in the distribution to the Department of this fee from 4% in fiscal year 2017 to 2% in fiscal year 2018. 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. In fiscal year 2015, the County increased the existing utility service fee collected on water and wastewater bills from 7.5% to 8.0%, increasing the Department's share from 3.5% to 4%. However, the distribution to the Department was reduced to 2% in the fiscal year 2018 approved budget.

The following chart shows a comparison of operating revenues by source for the fiscal years ending September 30, 2018 and 2017.

Operating Revenues

(Dollar Amount in Thousands)



Fiscal Year 2018

Operating expenses prior to depreciation expense and closure and postclosure care costs for inactive landfills increased $7 million from $235.5 in fiscal year 2017 to $242.5 million in fiscal year 2018.

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, 2018 and 2017, respectively, is as follows (Table III):

TABLE III

Miami-Dade County, Florida
Department of Solid Waste Management

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

for the Fiscal Year Ended September 30, 2018 and 2017, respectively, indicating the amount of change in Fiscal Year 2018 as compared to Fiscal Year 2017

Operating Expenses Prior to Depreciation Expense and Closure & Postclosure Care for Inactive Landfills	2018	2017	Increase/ (Decrease)
		(In thousands)	
Landfill & disposal operations, including change in closure & postclosure care cost estimates for active landfills	**$ 30,290**	$ 23,685	$ 6,605
Waste-to-energy	**60,348**	58,986	1,362
Transfer operations	**29,136**	22,946	6,190
Garbage collection	**45,964**	43,092	2,872
Trash collection	**21,067**	28,695	(7,628)
Recycling	**9,210**	8,882	328
Litter control	**874**	834	40
Facility maintenance	**3,254**	3,517	(263)
Enforcement and environmental compliance	**7,153**	7,518	(365)
General and administrative	**35,166**	37,391	(2,225)
Total	**$ 242,462**	$ 235,546	$ 6,916

This $7 million increase in operating expenses reflected higher balances in the following segments: Landfill and Disposal Operations, Transfer Operations, Garbage Collection, Waste-to-Energy, Recycling and a minor increase in litter control. These were partially offset by declines in all other operating costs.

The increase in Landfill and Disposal Operations expenses from $23.7 million in fiscal year 2017 to $30.3 million in fiscal year 2018 primarily resulted from higher amortization for the active landfills closure and postclosure care combined with higher contractual services in fiscal year 2018.

Transfer Operations expenses increased from $22.9 million in fiscal year 2017 to $29.1 in fiscal year 2018. This increase principally resulted from higher balances in personnel costs and charges for county services.

Garbage Collection expenses increased from $43.09 million in fiscal year 2017 to $46 million in fiscal year 2018. This increase reflected the impact of higher personnel costs, charges for county services and expenses for waste carts in fiscal 2018.

Waste to Energy expenses increased from $58.9 million in fiscal year 2017 to $60.3 million in fiscal year 2018. This increase resulted from higher contractual services combined with a less significant increase in personnel costs.

Recycling costs increased from $8.9 million in fiscal year 2017 to $9.2 million in fiscal year 2018. This increase resulted from higher contractual services, administrative costs and a less significant increase personnel costs.

Litter control reflected a minor increase of $40 thousand in fiscal year 2018, from $834 thousand in fiscal year 2017 to $874 thousand in fiscal year 2018, resulting from higher personnel costs and contractual services.

The aforementioned increases in fiscal year 2018 when compared to fiscal year 2017, were partially offset by decreases in Trash Collection, General & Administrative, Enforcement & Environmental Compliance and Facility Maintenance. The most significant decreases were reflected in Trash Collection ($7.63 million resulting from lower personnel costs, contractual services and charges for county services) and General & Administrative expenses ($2.23 million reflecting lower personnel and general administrative costs) in fiscal year 2018 when compared to fiscal year 2017. These combined with minor decreases in Enforcement & Environmental Compliance ($365 thousand) and Facility Maintenance ($263 thousand) in fiscal year 2018 as compared to fiscal year 2017.

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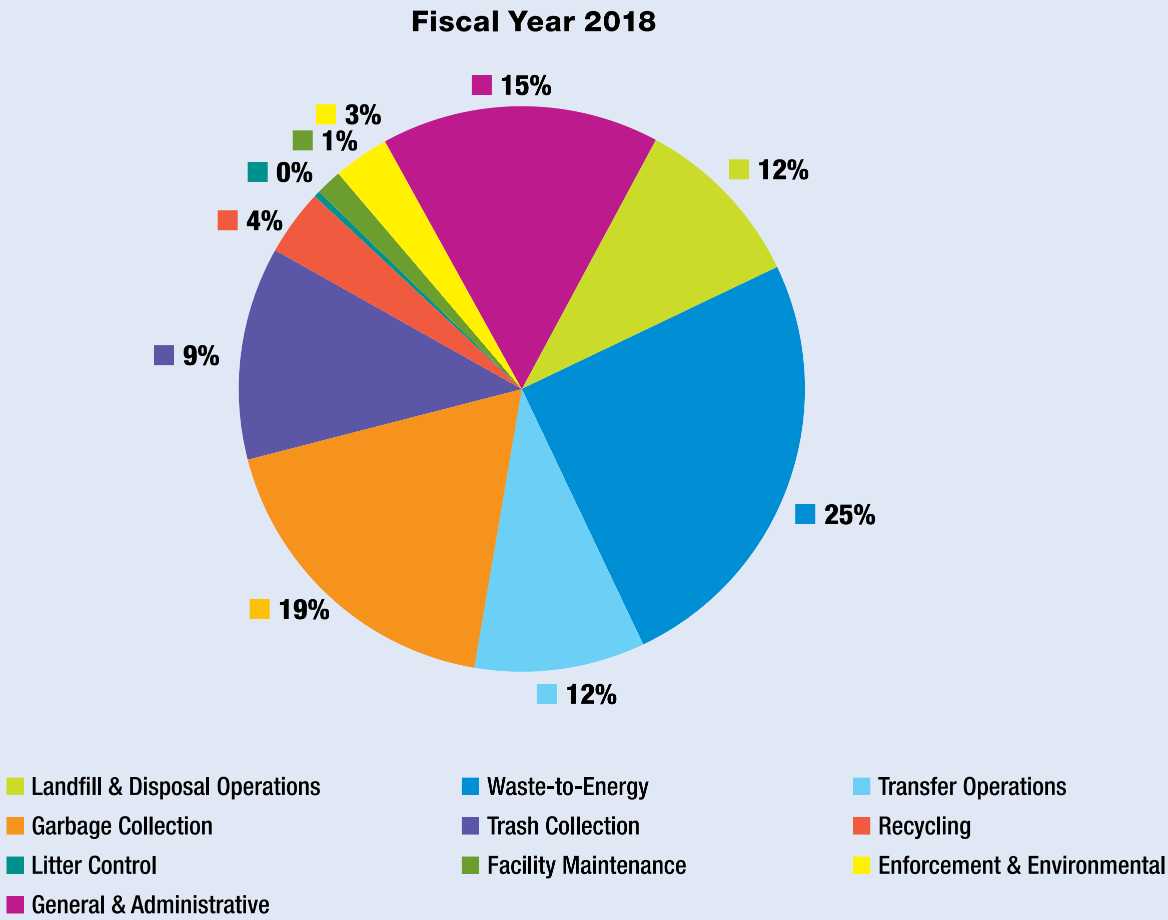
The following chart shows operating expenses before depreciation and costs for closure and postclosure care for inactive landfills for the fiscal year ended September 30, 2018.

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

(As a Percentage of Total)



Depreciation expense decreased $1.4 million from $12.9 million in fiscal year 2017 to $11.5 million in fiscal year 2018. The decrease reflected the effects of assets which were fully depreciated, the corresponding depreciation for assets disposed of during the fiscal year partially offset by the corresponding depreciation in connection with additions to depreciable assets during fiscal year 2018.

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 2018 resulted in $217 thousand expense as compared to $940 thousand expense in fiscal year 2017. This component includes expenses associated with the closure and postclosure care of the Main Landfill at N. W. 58th Street (Main), the assumption of responsibility for - closure enhancements to Taylor Park, Olinda Park, the closure and postclosure care of the Old South Dade Landfill site (OSD) and the Ojus Landfill (Ojus). OSD and Ojus underwent closure enhancements. The $217 thousand expense during fiscal year 2018 reflected the recognition of $752 thousand expense for Olinda Park partially offset by ($272) thousand credit to expense (recovery) for Main Landfill and ($263) thousand credit to expense (recovery) for OSD as compared to the $940 thousand expense during fiscal year 2017 which reflected the recognition of $1.5 million for Taylor Park closure partially offset by ($308) thousand credit to expense (recovery) for Main Landfill and ($252) thousand credit to expense (recovery) for OSD. There were no expenses recognized in connection with Ojus in fiscal years 2018 or 2017. 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 2018 totaled $138.8 million in net expense as compared to $11.9 million in net expense in fiscal year 2017. The $126.9 million increase in expense, net of revenue in fiscal year 2018 resulted from Hurricane Irma expenses (FEMA had not obligated or reimbursed the Department for Hurricane Irma expenses as of September 30, 2018. Such reimbursement would have been recorded as a credit to hurricane expense, thereby resulting in a lower net hurricane expense) partially offset by higher interest income and lower balances in all other non-operating expense categories.

Fiscal Year 2018

Capital Contributions

During fiscal year 2018, Waste Management received $3.5 million in capital contributions as compared to $574 thousand received in fiscal year 2017. These capital contributions represent funding for the South Dade Landfill Cell 5 construction from the County's General Obligation Bonds.

Capital Assets And Debt Administration

Capital Assets

Fiscal Year 2018

As of September 30, 2018, the Department had approximately $168 million invested in capital assets including landfills, the Resources Recovery Facility, transfer stations, Trash and Recycling Centers (T&R Centers), construction in progress, furniture, fixtures, machinery and equipment. This amount represented an increase of approximately $26 million from $142 million at September 30, 2017.

This increase reflected the effects of asset additions partially offset by the sales and the write-off of assets combined with the effect of additions to accumulated depreciation, in fiscal year 2018. During fiscal year 2018, the Internal Services Department approved the write-off of the aforementioned assets which had remained unlocated (and as such reported to the police department) for more than two fiscal years.

Major capital assets activity during fiscal year 2018 included the following:

- Projects continued in connection with Collection 3A New Facility Building, 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, North Dade Landfill Gas Extraction Phase 2, Northeast Transfer Station – 3A New Facility, Northeast Transfer Station - Surge Pit Tipping Floor Roof, miscellaneous projects at the Resources Recovery Facility, Replacement of Scales at Disposal Facilities, South Dade Ground Water Trench, South Dade Landfill Cell 4 Gas Extraction, South Dade Landfill Cell 5 Construction, South Dade Landfill Expansion/Improvement, South Dade Transfer Station Improvements 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 2018 have been excluded from property, plant and equipment in the summary table below.

  During fiscal year 2018, the Department contributed approximately $51 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.

- Capital project additions during fiscal year 2018 totaled approximately $9.5 million.

During fiscal year 2018, no event or change in circumstance occurred resulting in the unexpected significant decline in the service utility (impairment) of the Department's capital assets.

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

TABLE IV
Miami-Dade County, Florida
Department of Solid Waste Management
Waste Management Enterprise Fund

Capital Assets and Accumulated Depreciation

	At September 30,	
	2018	2017
	(In thousands)	
Buildings and improvements	**$ 497,886**	$ 497,886
Machinery and equipment	**213,459**	190,700
Capital Assets, depreciable	**711,345**	688,586
Accumulated depreciation	**(619,639)**	(613,877)
Land	**22,647**	22,647
Construction in progress	**53,635**	44,198
Capital Assets, Net	**$ 167,988**	$ 141,554

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

Long-term Debt

Fiscal Year 2018

At September 30, 2018, the Department had approximately $68.6 million in bonds payable outstanding, as compared to approximately $81.7 million in bonds payable outstanding at September 30, 2017. The $68.6 million and $81.7 million in bonds payable at September 30, 2018 and September 30, 2017, respectively, are secured by a prior lien upon a pledge of the Pledged Revenues of the System (that is, Net Operating Revenues (NOR), defined by the bond documents as operating revenues reduced by operating expenses). 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, 2018, the Department's debt service coverage equaled 338%, as compared to 234% in the fiscal year ended September 30, 2017. This increase in coverage was attributed to the combined effects in fiscal year 2018 of higher NOR resulting from higher operating revenues and interest income combined with a lower debt service requirement which were partially offset by higher operating expenses in fiscal year 2018 (discussed above).

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 2018, the calculation of debt service coverage resulting in 338% excluded adjustments to Net Operating Revenues from the Rate Stabilization Fund. With adjustment from the Rate Stabilization the debt service coverage calculation increased to 401%.

On November 17, 2017, Fitch Ratings affirmed its 'A+' rating for the outstanding Solid Waste Revenue Refunding Bonds, Series 2015. The Outlook was rated Stable.

Previous ratings were as follows:

During November 2015, the Department updated its bond ratings with two major rating agencies in connection with the issuance of the Revenue Refunding Bonds, Series 2015.

DSWM received the following ratings:

- On November 17, 2015, Standard & Poor's Ratings Services raised the rating on the Solid Waste System Revenue Bonds, Series 1998, 2001 and 2005 (the outstanding bonds anticipated to be refunded) from 'A+' to 'AA-.

- At the same time, Standard & Poor's assigned its 'AA-' rating to the Solid Waste Revenue Refunding Bonds, Series 2015.

- On November 20, 2015, Fitch Ratings affirmed its 'A+' rating (affirmed on August 28, 2014) on the Solid Waste System Revenue Bonds, Series 1998, 2001 and 2005 (the outstanding bonds anticipated to be refunded).

- At the same time, Fitch assigned an 'A+' rating to the Solid Waste Revenue Refunding Bonds, Series 2015.

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

TABLE V

Miami-Dade County, Florida
Department of Solid Waste Management
Waste Management Enterprise Fund

Summary of the Department's Debt Obligations

September 30, 2018
(In thousands)

		Amount Outstanding	Interest Rates
Revenue Refunding Bonds	$	68,616 (1)	3.00-5.00%
Total	$	68,616	

(1) Reflects the effects of refunding of Series 1998, 2001 and 2005 by Series 2015.

September 30, 2017
(In thousands)

		Amount Outstanding	Interest Rates
Revenue Refunding Bonds	$	81,679 (1)	3.00-5.00%
Total	$	81,679	

(1) Reflects the effects of refunding of Series 1998, 2001 and 2005 by Series 2015.

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.

Economic Factors and Next Year's Budget and Rates

- Miami-Dade County's population increased in fiscal year 2018 by 1.3% 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, 2018 the average annual number of household (residential) units, household/commercial accounts and commercial accounts serviced by the Department increased 1.002%. During the previous two fiscal years the average annual number of household units, household/commercial accounts and commercial accounts increased 1.19 % and 0.66% (for fiscal year 2017 and fiscal year 2016, 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 were 1.870, 1.675 and 1.659 million for fiscal years 2018, 2017 and 2016, 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 2019.

The Adopted Budget for fiscal year 2019 includes:

- A disposal contract tipping fee of $62.67 per ton. This $1.66 increase over fiscal year 2018 reflects the increase in the consumer price index (CPI) stipulated for this fee.

- The distribution to the Department for its share of the Utility Service Fee remains at 2%.

- The annual fee for curbside collection remains at $464 per household.

- The balance in the Disposal Fund's Rate Stabilization Reserves was $20.7 million as of September 30, 2018. The Adopted Budget for fiscal year 2019 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, Department of Solid Waste Management, 2525 NW 62 Street, 5th Floor, Miami, Florida 33147.

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Waste Management Enterprise Fund
An Enterprise Fund of the Department of Solid Waste Management
A Department of Miami-Dade County, Florida

Statement of Net Position

		September 30, 2018 *(In thousands)*
Assets		
CURRENT ASSETS		
Cash and cash equivalents	$	**20,664**
Investments		**76,878**
Accounts receivable, net of allowance of $61		**11,614**
Due from other governments, net of allowance of $121		**80**
Total Unrestricted Current Assets		**109,236**
Current Restricted Assets		
Cash and cash equivalents		**8,389**
Investments		**1,073**
Accounts receivable		**5,424**
Total Restricted Current Assets		**14,886**
Total Current Assets		**124,122**
NON-CURRENT ASSETS		
Restricted Assets		
Cash and cash equivalents		**33,747**
Investments		**103,478**
Total Restricted Non-Current Assets		**137,225**
Capital Assets		
Land		**22,647**
Construction in progress		**53,635**
Buildings and improvements, net of depreciation		**26,529**
Furniture, fixtures, machinery and equipment, net of depreciation		**65,177**
Total Capital Assets, net		**167,988**
Other Assets		
Other		**1,451**
Total Other Assets		**1,451**
Total Non-Current Assets		**306,664**
Total Assets		**430,786**
Deferred Outflows of Resources		
Pension related		**21,103**
Total Deferred Outflows of Resources		**21,103**
Total Assets and Deferred Outflows	**$**	**451,889**

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

	September 30, 2018 (In thousands)
Liabilities	
CURRENT LIABILITIES	
Payable from Unrestricted Assets	
Accounts payable and accrued expenses	$ 15,631
Due to other County funds	2,351
Due to other governments	195
Compensated absences	3,891
Other current liabilities	643
Liability for closure and postclosure care costs	1,164
Total Payable from Unrestricted Assets	23,875
Payable from Restricted Assets	
Accounts payable	52
Accrued interest payable	1,669
Bonds payable	8,995
Capital lease obligation	4,170
Total Payable from Restricted Assets	14,886
Total Current Liabilities	38,761
Long-Term Liabilities	
Long-term portion of bonds payable, net of unamortized premiums and discounts	59,621
Capital lease obligation	31,223
Liability for closure & postclosure care costs	79,264
Compensated absences	14,019
Other long-term liabilities	38
Pension related	53,848
Postemployment benefits	20,535
Total Long-Term Liabilities	258,548
Total Liabilities	297,309
Deferred Inflows of Resources	
Deferred gain on refunding	489
Pension related	5,256
Postemployment Benefits	1,064
Total Deferred Inflows of Resources	6,809
Total Liabilities and Deferred Inflows	304,118
Net Position	
Net investment in capital assets	105,895
Restricted for:	
Debt service	10,825
Groundwater protection	34,125
Rate stabilization	20,686
Operating reserve	39,960
Bond reserve	2,389
Total Restricted	107,985
Unrestricted deficit	(66,109)
Total Net Position	$ 147,771

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

Waste Management Enterprise Fund
An Enterprise Fund of the Department of Solid Waste Management
A Department of Miami-Dade County, Florida

Statement of Revenues, Expenses and Changes in Fund Net Position

	For the Fiscal Year Ended September 30, 2018 *(In thousands)*
Operating Revenues	
Solid waste disposal services	$ 74,697
Solid waste collection services	157,373
Utility service fees	18,924
Electricity sales	10,043
Other operating revenues	18,153
Total Operating Revenues	279,190
Operating Expenses	
Landfill & disposal operations, including change in closure & postclosure care cost estimates for active landfills	30,290
Waste-to-energy	60,348
Transfer operations	29,136
Garbage collection	45,964
Trash collection	21,067
Recycling	9,210
Litter control	874
Facility maintenance	3,254
Enforcement and environmental compliance	7,153
General and administrative	35,166
Subtotal	242,462
Depreciation	11,492
Closure & Postclosure Care Costs (Recovery) for Inactive Landfills	217
Total Operating Expenses	254,171
Operating Income	25,019
Non-Operating Revenues (Expenses)	
Interest income	3,408
Interest expense	(961)
Closure grants	(339)
Other Income (expense), net:	
Hurricane related expenses	(142,032)
Other	1,106
Total Non-Operating Expenses, Net	(138,818)
Capital Contributions	3,542
Changes in Net Position	(110,257)
Total Net Position, beginning as restated	258,028
Total Net Position, end of the year	$ 147,771

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

Waste Management Enterprise Fund
An Enterprise Fund of the Department of Solid Waste Management
A Department of Miami-Dade County, Florida

Statement of Cash Flows

	For the Fiscal Year Ended September 30, 2018
	(In thousands)
Cash Flows From Operating Activities:	
Cash received from fees and charges	$ 287,759
Cash paid to suppliers	(150,335)
Cash paid for closure and long-term care costs	(523)
Cash paid to employees for services	(82,316)
Payment for non-operating hurricane related expenses	(145,885)
Net cash used by operating activities	(91,300)
Cash Flows From Capital and Related Financing Activities:	
Proceeds from equipment lease payable	12,933
Principal payments on bonds payable and loans payable	(15,758)
Interest paid	(3,525)
Cost of issuance paid	(32)
Proceeds from the sale of property and equipment	616
Capital contribution for the construction of capital assets	3,542
Acquisition and construction of capital assets	(35,824)
Landfill closure grant expenses	(1,036)
Net cash used in capital and related financing activities	(39,084)
Cash Flows From Investing Activities:	
Proceeds from sale and maturity of investments	297,331
Purchases of investments	(181,429)
Interest earned on investments	3,408
Net cash provided by investing activities	119,310
Net decrease in cash and cash equivalents	(11,074)
Cash and cash equivalents, beginning of year	73,874
Cash and cash equivalents, end of year	$ 62,800
Classified As:	
Unrestricted cash and cash equivalents	$ 20,664
Restricted cash and cash equivalents	42,136
Total	$ 62,800

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

Waste Management Enterprise Fund
An Enterprise Fund of the Department of Solid Waste Management
A Department of Miami-Dade County, Florida

Statement of Cash Flows

		For the Fiscal Year Ended September 30, 2018
		(In thousands)
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:		
Operating income	$	25,019
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation		11,492
Change due to non-operating hurricane activities		(145,885)
Change in closure and postclosure care liability		6,155
(Increase) decrease in assets:		
Accounts receivable		8,171
Due from other governments & other County funds		450
Other assets		(62)
Increase (decrease) in liabilities:		
Accounts payable & accrued expenses (herein) excludes payables other than related to Operating Activities		(398)
Compensated absences		571
Other current liabilities		(49)
Due to other County funds		281
Due to other governments		195
Liability for closure and postclosure costs (disbursements)		(523)
Other long-term liabilities		(3)
Other postemployment benefits		(1,161)
Pension Liability		1,336
Deferred inflows/outflows of resources, net		3,111
Net Cash Used by Operating Activities	$	(91,300)

Noncash Investing, Capital and Financing Activities:

The fair value of investments decreased by approximately $849 thousand in fiscal year 2018.

The accounts payable balance included $4.6 million in capital assets payable as of September 30, 2018.

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

Notes to Financial Statements

SEPTEMBER 30, 2018

1. General and Summary of Significant Accounting Policies

Reporting Entity – On January 20, 2016, the Miami-Dade County Board of County Commissioners approved and adopted fiscal year 2016 mid-year supplemental budget adjustments and amendments for various departments and funds. This mid-year supplemental budget introduced a plan to create the Department of Transportation and Public Works and the Department of Solid Waste Management and to eliminate the former Public Works and Waste Management and Transit departments. This action was intended to consolidate the functions of Miami-Dade County government that impact the delivery of public transit and surface transportation-related services. This reorganization was implemented retroactively to the period commencing on October 1, 2015. As a result, the Department of Solid Waste Management (the "Department"/"DSWM") proceeded to separate its activities from those of Public Works with the Mosquito Control Division (formerly included in Public Works' Road, Bridge, Canal and Mosquito Control Division) remaining with DSWM. However, the Mosquito Control Division is not part of the Waste Management Enterprise Fund.

Since the reorganization, the collection and disposal activities of the Miami Dade County Department of Solid Waste Management have continued as part of the Waste Management Enterprise Fund ("Waste Management"/"WM").

The Department 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 the Department of Solid Waste Management, as a whole, or of Miami-Dade County, Florida.

Measurement Focus and Basis of Accounting – The Department 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 Waste Collection and Disposal Systems to provide meaningful information with respect to the Department of Solid Waste Management Enterprise Fund ("DSWMEF"). All significant inter-system transactions have been eliminated.

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, deferred outflows, liabilities, deferred inflows 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 waste collection services and other operating revenues) and disposal revenues (including 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 position. 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, Cash Equivalents and Investments – The County's Finance Department is responsible for all treasury functions and the Department participates in the County's pooled cash and investment system (pool) so as to maximize earnings and facilitate cash management. The Department's equity share of the pool is displayed in the accompanying financial statements as "pooled cash and cash equivalents" or "pooled investments". Pooled cash and cash equivalents include demand deposits, money market accounts, and highly liquid debt securities purchased with maturities of three months or less from when acquired. They are reported at cost or amortized cost. Each department reports its share of the pool. Investments which consist primarily of debt securities and debt type investments are reported at fair value or amortized cost in the pool and the Department's equity share of the pool represents the net asset value of the internal investment pool. Investment income which includes, interest, dividends, realized gains from investments sold, unrealized gains for change in fair value between reporting dates is allocated on a monthly basis based in each funds share of the pool. Restricted and unrestricted cash and cash equivalents represent the amounts reported as cash and cash equivalents for cash flow reporting purposes.

Fair Value Measurement & Application – The Department as part of the County follows the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. This Statement addresses accounting and financial reporting issues related to fair value measurements. It also provides guidance for applying fair value to certain investments and disclosure related to all fair value measurements. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. GASB 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels: Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimated assumptions of what market participants would use in pricing the asset or liability.

Restricted Assets – Assets restricted by specific bond covenants, enabling legislation and other legal requirements are presented as restricted assets in the Statements of Net Position.

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.

Accounts Receivable – Accounts receivable are composed primarily of monthly and annual billings to Disposal and Collection Services customers. An allowance for doubtful accounts is provided for receivables where there is a question as to ultimate collectability. Receivables are presented in the accompanying financial statements net of an allowance for doubtful accounts of $61 thousand at September 30, 2018.

Capital Assets and Depreciation – Property, plant and equipment are capitalized at cost, when cost exceeds $1,000. Capital contributions (for contributed assets) received from third parties are recorded at their acquisition value on the date contributed. 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 1.6% for the fiscal year ended September 30, 2018. The Department utilizes the straight-line method of depreciation over the following estimated useful lives for the assets:

Assets	Useful Life Years
Buildings and improvements	10-25
Furniture, fixtures, 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 $3.39 million of such assets as of September 30, 2018.

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, 2018 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. Under the terms of Florida Department of Environmental Protection requirements, the Department is required to provide long-term care for landfill operations for up to thirty years after final closure. Required obligations for closure and related maintenance costs are recognized in accordance with GASB Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-closure 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 non-specific capital tax-exempt borrowings to the average amount of accumulated construction in progress costs during the period, net of any interest earned on the funds borrowed for construction of capital assets. Interest expense for the fiscal year ended September 30, 2018 was $961 thousand. This amount is net of capitalizable interest totaling $672 thousand in fiscal year 2018.

Bond Premium, Discount, Deferred Gain on Debt Refunding – Premiums, discounts and deferred gain on refunding of 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.

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. Eligible hurricane expenses are subject to reimbursement from the Federal Emergency Management Agency (FEMA) grant.

Net Position – Equity in the Department Statements of Net Position is displayed in three categories: 1) net investment in capital assets, 2) restricted, and 3) unrestricted. Net investment in capital assets consists of capital assets reduced by accumulated depreciation, any applicable deferred inflows/outflows on refunding and by any outstanding debt incurred to acquire, construct or improve those assets, excluding unexpended debt proceeds. Net position is reported as restricted when there are third party limitations (statutory, enabling legislation, contractual or bond covenant) on their use. Unrestricted net position consists of all net position that does not meet the definition of either of the other two components.

Pension Plan – The Department contributes via the County to the Florida Retirement System, a cost-sharing multi-employer plan. The Department is charged by the County for its allocable share of related pension costs for employees participating in the Florida Retirement System. For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Florida Retirement System (FRS), and Health Insurance Subsidy (HIS) defined benefit plans additions to/deductions from both Plans fiduciary net position have been determined on the same basis as they are reported by the Plans and are recorded in the financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Postemployment 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 a liability at the end of the fiscal year for the accrued liability.

Compensated Absences – The cost of accumulated vacation and sick time is recorded when earned by the employees. This liability is recorded for amounts expected to be paid for future absences at the time of the absence, or upon termination or retirement.

Risk Management – The Department participates in the County's self-insurance programs. The County's Risk Management Division administers property, workers' compensation, and general automobile liability self-insurance programs. The Department pays an annual premium to participate in the County's self insurance program (see Note 6).

New Accounting Pronouncement – The Department implemented GASB Statement No. 75, *Accounting and Financial Reporting for Financial Reporting for Postemployment Benefits Other Than Pensions (OPEB)*, effective for fiscal year 2018. The Department as an enterprise fund of the County, participates in the County's Postemployment

Benefit Plan. The County administers a single–employer defined benefit healthcare plan that provides postretirement medical, hospital, pharmacy and dental coverage to retirees as well as their eligible spouses and dependents. GASB requires employers participating in postemployment benefit plans to provide information about the effects of OPEB-related transactions and other events on the elements of the basic financial statements including information about the entity's OPEB obligations and resources, if any, available to satisfy those obligations. As a result of this implementation beginning net position was restated.

Restatement of Net Position – The implementation of GASB Statement No. 75 resulted in the Department restating the beginning of the year Net Position and related balances for its share of the County's OPEB Liability and OPEB expenses. Accordingly, Beginning Net Position has been restated as follows:

		(In thousands)
Total Net Position, October 1, 2017, as reported	$	277, 011
Net Position effect of GASB, Statements No. 75 implementation	$	(18,983)
Total Net Position, October 1, 2017, as restated	$	258,028

2. Cash, Cash Equivalents and Investments

Deposits and Investments

The Department's pooled and non-pooled cash and cash equivalents and investments at September 30, 2018 included the following (in thousands):

		2018
Unrestricted:		
Current cash and cash equivalents (1)	$	20,664
Current investments (2)		76,878
Restricted:		
Current cash and cash equivalents (1)		8,389
Current investments		1,073
Non-current cash and cash equivalents (1)		19,403
Non-current investments (2)		103,478
Total in pooled cash and cash equivalents and investments	$	229,885
Non-current cash with fiscal agent, for debt service	$	112
Non-current cash with fiscal agent, equipment lease		4,338
Non-current cash with fiscal agent, for landfill closure grants		9,894
Total non-pooled	$	14,344
Total in pooled and non-pooled cash and cash equivalents and investments	$	244,229

(1) For FY 2018, the County's percentage-split between investments and cash and cash equivalents yielded 79% of the pool for investments and 21% for cash and cash equivalents.

(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, foreign currency risk and fair value measurement for pooled cash and cash equivalents and investments in accordance with GASB 72 can be found in the County's footnotes to the financial statements included in the separate County's Comprehensive Annual Financial Report. The County's pool is not rated and it has an average maturity of 235 days in fiscal year 2018.

Included in cash and cash equivalents are funds held as cash with fiscal agent for debt service, Equipment Lease/ Purchase Escrow Account and amounts held pursuant to the Munisport Closure Grant as shown above. As of September 30, 2018, the total balance of the Munisport 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 Munisport Closure Grant Funds are part of the County's pool. The municipality manages the investment portfolios for these funds. The following is information regarding the closure grant funds with the City of North Miami.

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 municipality has adopted a written investment policy, which may, from time to time, be amended by the municipality. Investments are made in accordance with provisions of the Florida Statutes and the municipality's bylaws. The city is 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 municipality's investment policy limits the maturities on individual investments to no more than five years. The investments at September 30, 2018 meet the municipality's investment policy restrictions.

Credit Risk

The investment policy used by the municipality 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 municipality's investment policies limit 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 municipality does not have an issuers limit for the State Board of Administration Trust Funds. The municipality has no single investment in one issuer of 5% or more.

3. Capital Assets

Capital assets activity for the year ended September 30, 2018 was as follows:

(In thousands)

	Balance at 10/1/2017	Additions/ Reclassification	Deletions/ Reclassification	Balance at 9/30/2018
Land	$ 22,647	$ -	$ -	$ 22,647
Construction in Progress	44,198	9,488	51	53,635
Total Non-depreciable Assets	66,845	9,488	51	76,282
Building & Building Improvements				
Building Improvements	507	-	-	507
Buildings	319,549	-	-	319,549
Total Buildings & Improvements	320,056	-	-	320,056
Other Improvements (Including Landfills)	177,830	-	-	177,830
Furniture, Fixtures, Machinery & Equipment				
Furniture, Fixtures, Machinery & Equipment	49,488	255	144	49,599
Automotive Equipment	140,123	28,401	5,753	162,771
Other Items	1,089	-	-	1,089
Total Furniture, Fixtures, Machinery & Equipment	190,700	28,656	5,897	213,459
Total Depreciable Assets	688,586	28,656	5,897	711,345
Less Accumulated Depreciation for:				
Buildings & Building Improvements	290,854	1,656	-	292,510
Other Improvements	178,250	597	-	178,847
Furniture, Fixtures, Machinery & Equipment	144,773	9,239	5,730	148,282
Total Accumulated Depreciation	613,877	11,492	5,730	619,639
Total Depreciable Assets, Net	74,709	17,164	167	91,706
Total Capital Assets, Net	**$ 141,554**	**$ 26,652**	**$ 218**	**$ 167,988**

Construction in progress additions and deletions include $51 thousand for landfill closure and $672 thousand in capitalized interest additions.

4. Long-Term Debt

Long-term debt includes bonds which have been issued or approved by the County for the construction and improvement of the Department's Waste and Disposal System's infrastructure. 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 debt.

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

Miami-Dade County Revenue Refunding Bonds Series 2015 – On December 17, 2015, the County issued $83.8 million of Miami-Dade County Solid Waste System Revenue Refunding Bonds Series 2015 ("the Series 2015 Revenue Refunding Bonds").

The Series 2015 Bonds and the interest on the Series 2015 Bonds are payable solely from and are secured by a prior lien upon and a pledge of the Pledged Revenues of the Solid Waste System as provided in the Bond Ordinance (Bond Ordinance No. 96-168). Pursuant to the Bond Ordinance "Pledged Revenues" means (a) Net Operating Revenues (whether or not on deposit in the Funds and Accounts) and (b) all moneys and investments (and interest earnings) on deposit to the credit of the Funds and Accounts, except for moneys and investments on deposit to the credit of any rebate fund or rebate account established pursuant to the Ordinance. The Bond Ordinance also defines these terms, as follows: (1) "Net Operating Revenues" as Operating Revenues reduced by Operating Expenses; (2) "Operating Revenues" as all operating income or earnings received or accrued by the County from the ownership, operation or use of all or any part of the System or other moneys paid to the Department, including but not limited to, operating grants, delinquent charges and investment earnings, but excluding any income from the investment of the Construction Fund, proceeds from insurance (except business interruption insurance), condemnation or the disposition of property not in the ordinary course of business, and proceeds from the sale of any obligation of the County (exclusive of short-term obligations for System working capital); (3) "Operating Expenses" means all current expenses, paid or accrued, for the operation, maintenance and ordinary current repairs of the System and its components, as calculated in accordance with GAAP, including, without limitation, fees payable by the County under any management contract for the operation of all or portions of the System, insurance premiums (or comparable payments under a self-insurance or risk management program) labor, cost of material and supplies used for current operations, charges for the accumulation of appropriate reserves for current expenses not annually recurrent but which are such as may reasonably be expected to be incurred in accordance with GAAP and Credit Facility Charges, administrative expenses and professional fees and expenses, before depreciation, amortization and interest expense determined in accordance with GAAP, provided, however, there shall not be taken into account: (a) any gain or loss resulting from either the extinguishment or refinancing of indebtedness; (b) loss from the sale, exchange or other disposition of capital assets not made in the ordinary course of business; (c) any capital expenditure for renewal, replacement, expansion or acquisition of capital assets of the System (including any deposits to reserves); and (d) such other assumptions of liabilities related to inactive landfills (whether or not treated as Operating Expenses under GAAP), the payment for which will be in future years. The Bond Ordinance does not convey or mortgage all or any part of the System as a pledge or security for the Series 2015 Bonds. The Series 2015 Bonds are secured on a parity with the Outstanding Bonds (to the extent not refunded), any Additional Bonds, any Refunding Bonds, and any other First Lien Obligations and Hedge Obligations, hereafter issued.

The Series 2015 principal is 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 3.00% to 5.00%. The Ordinance requires a debt service coverage of 120% of the fiscal year's principal and interest requirements on the bonds. For fiscal year 2018, the Department exceeded the 120% debt service coverage requirement for Series 2015 with $39.8 million in Net Operating Revenues, resulting in a debt service coverage of 338% for fiscal year 2018.

Summary of Outstanding Bonds (In thousands):

Description	Rate	Amount Issued	Maturity Date	Balance Outstanding
Series 2015 Revenue Refunding Bonds	3.00-5.00%	$ 83,755	10/01/2030	$ 61,620
Plus: Unamortized Premium				6,996
Less: Current Portion				(8,995)
Total Long-term Bonds outstanding, net of current portion at 09/30/2018				**$ 59,621**

Pursuant to GASB Statement No. 65, Gain on refunding/restructure presented as:

Deferred Inflows of Resources	
Deferred gain on refunding - Series 2015 Revenue Refunding Bonds	$ 489
Total Deferred Inflows	**$ 489**

Debt Service Requirements (Cash Basis) - The Department's debt service requirements to maturity at September 30, 2018, are as follows:

		(In thousands)	
Maturing in Fiscal Year	**Principal**	**Interest**	**Total**
2019	$ 8,995	$ 2,602	$ 11,597
2020	9,320	2,176	11,496
2021	9,780	1,703	11,483
2022	2,675	1,391	4,066
2023	2,815	1,254	4,069
2024-2028	16,385	3,952	20,337
2029-2031	11,650	565	12,215
Series 2015 Revenue Refunding Bonds	**$ 61,620**	**$ 13,643**	**$ 75,263**

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

Equipment Lease / Purchase Agreement, Series 2017 and Series 2018

Series 2017 – On April 4, 2017, the County closed on the Equipment Lease /Purchase Agreement, Series 2017 (the Series 2017 Leases) for the Department. Closing took place simultaneously upon receipt of funds by the County and upon receipt of funds by Bank of America, N.A. (the "Escrow Agent").

On April 4, 2017, Banc of America Public Capital Corp (the "Lessor") transferred funds totaling $25,737,000 consisting of (1) a $25,679,900 wire transfer to the Escrow Agent and (2) $57,100 wire transfer to the County to be used to pay costs of issuance related to the Equipment Lease/Purchase Agreement. The proceeds balance of $25,679,900 was deposited into an escrow account from which amounts will be drawn by Miami-Dade County (the "Lessee") to fund certain equipment cost detailed in the Equipment Lease/Purchase Agreement.

Pursuant to the Escrow Fund Agreement, the Lessee shall: (1) order the Equipment, cause the Equipment to be delivered and pay all equipment costs. When the Equipment has been delivered, Lessee shall promptly accept such Equipment and evidence said acceptance by executing and delivering to Lessor an "Acceptance Certificate" in the form attached to the Equipment Lease/Purchase Agreement, (2) deliver to Lessor original invoices (and proof of payment of such invoices) and copy of the title thereto relating to each item of Equipment accepted by Lessee for reimbursement from the escrow account. During the Lease Term: (1) all right, title and interest in and to each item of the Equipment, subject to the terms and conditions in the Equipment Lease/Purchase Agreement shall be vested in Lessee immediately upon its acceptance of each item of Equipment, (2) Lessee shall maintain (a) casualty insurance naming Lessor and its assigns as loss payee and additional insured and insuring the Equipment against loss or damage by fire and all other risks covered by the standard extended coverage endorsement in use in the State of Florida and any other risks reasonable required by Lessor, in an amount at least equal to the greater of (i) the then applicable Termination Value of the Equipment or (ii) the replacement cost of the Equipment; (b) liability insurance naming Lessor and its assigns as additional insured that protects Lessor from liability with limits of at least $1 million per occurrence/ $3 million in the aggregate for bodily injury and property damage coverage and excess liability umbrella coverage of at least $5 million and in all events in form and amounts satisfactory to Lessor; and (c) worker's compensation coverage as required by the laws of the State of Florida; provided that, with Lessor's prior written consent, Lessee may self-insure against the risk described in clauses (a) and/or (b). Principal and interest are payable semiannually on April 1st and October 1st through April 1st, 2027, with a contract rate of 1.8895%.

As of September 30, 2018, the Department had received reimbursements totaling $24.4 million with the $1.3 million proceeds balance remaining in the Escrow Account.

Series 2018 – On August 8, 2018, the County closed on the Equipment Lease /Purchase Agreement, Series 2017, 7 and 5 Year Term (the Series 2018 Leases) for the Department. Closing took place simultaneously upon receipt of funds by the County and upon receipt of funds by Bank of America, N.A. (the "Escrow Agent").

On August 8, 2018, Banc of America Public Capital Corp (the "Lessor") transferred funds totaling $12,912,388 for Equipment Lease /Purchase Agreement, Series 2017, 7 Year Term consisting of (1) a $12,880,227 wire transfer to the Escrow Agent and (2) $32,161 wire transfer to the County to be used to pay costs of issuance related to the Equipment Lease/Purchase Agreement. The proceeds balance of $12,880,227 was deposited into an escrow account from which amounts will be drawn by Miami-Dade County (the "Lessee") to fund certain equipment cost detailed in the Equipment Lease/Purchase Agreement. On August 8, 2018, Banc of America Public Capital Corp (the "Lessor") transferred funds totaling $20,483 for Equipment Lease /Purchase Agreement, Series 2017, 5 Year Term consisting of (1) a $20,432 wire transfer to the Escrow Agent and (2) $51 wire transfer to the County to be used to pay costs of issuance related to the Equipment Lease/Purchase Agreement. The proceeds balance of $20,432 was deposited into an escrow account from which amounts will be drawn by Miami-Dade County (the "Lessee") to fund certain equipment cost detailed in the Equipment Lease/Purchase Agreement.

Principal and interest are payable semiannually on April 1st and October 1st through October 1st, 2025 and October 1st, 2023 for the 7 Year Term and 5 Year Term lease, respectively. The contract rate is 3.1019% and 2.9763% for the 7 Year Term and 5 Year Term lease, respectively.

As of September 30, 2018, the Department had received reimbursements totaling $9.9 million with the $3.0 million proceeds balance remaining in the Investments Account (including $1.5 million pending reimbursement from the Investment Account for Equipment that had been delivered to and paid for by the Department).

Maturities for Equipment Lease/Purchase Agreement, Series 2017:

		(In thousands)	
Maturing in Fiscal Year	**Principal**	**Interest**	**Total**
2019	$ 3,335	$ 405	$ 3,740
2020	3,397	344	3,741
2021	3,460	280	3,740
2022	3,525	216	3,741
2023	3,591	149	3,740
2024-2027	5,151	139	5,290
Subtotal	**$ 22,459**	**$ 1,533**	**$ 23,992**
Current Portion of Capital Lease Obligation	(3,335)	-	(3,335)
Total Capital Lease Obligation, net of current portion	**$ 19,124**	**$ 1,533**	**$ 20,657**

Maturities for Equipment Lease/Purchase Agreement, Series 2018:

		(In thousands)	
Maturing in Fiscal Year	**Principal**	**Interest**	**Total**
2019	$ 835	$ 260	$ 1,095
2020	1,709	362	2,071
2021	1,762	309	2,071
2022	1,817	253	2,070
2023	1,874	197	2,071
2024-2027	4,937	232	5,169
Subtotal	**$ 12,934**	**$ 1,613**	**$ 14,547**
Current Portion of Capital Lease Obligation	(835)	-	(835)
Total Capital Lease Obligation, net of current portion	**$ 12,099**	**$ 1,613**	**$ 13,712**

5. Restricted Assets

Restricted assets represent funds that are required to be segregated in restricted accounts under the terms of the bond ordinance (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, 2018:

Assets Restricted For:	**2018**
	(in thousands)
Construction and Equipment	$ **32,563**
Debt Service (1)	**12,494**
Groundwater Protection	**34,125**
Landfill Closure Grants (2)	**9,894**
Rate Stabilization	**20,686**
Operating Reserve	**39,960**
Bond Reserve	**2,389**
Total	**$ 152,111**

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

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

6. Risk Management

The Department, along with certain other County departments, is charged an annual premium fee to participate 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. There were no changes made to insurance coverage and no claims exceeded coverage for fiscal years 2018. 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. The Department paid approximately $1.9 million in premium fees to the self-insured programs for the fiscal year ended September 30, 2018. Premiums are charged to the Department based on amounts necessary to provide funding for current and anticipated losses.

The unfunded losses of RMD is the responsibility of the general fund and not a liability of the Department. Therefore, no liability for unfunded losses is reported by the Department.

7. Pension Plans and Other Employee Benefits

The Department, as an enterprise fund of the County, provides retirement benefits to its employees through the Florida Retirement System and a Deferred Retirement Option Program (DROP), as well as state approved Other Post-Employment Benefits (OPEB) in the form of subsidized health insurance premiums.

Florida Retirement System Overview

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

Essentially all regular employees of the Department are eligible to enroll as members of the State- administered FRS. Provisions relating to the FRS are established by Chapters 121 and 122, Florida Statutes; Chapter 112, Part IV, Florida Statutes; Chapter 238, Florida Statutes; and FRS Rules, Chapter 60S, Florida Administrative Code; wherein eligibility, contributions, and benefits are defined and described in detail. Such provisions may be amended at any time by further action from the Florida Legislature.

The FRS is a single retirement system administered by the Florida Department of Management Services, Division of Retirement, and consists of the two cost-sharing, multiple-employer defined benefit plans and other nonintegrated programs. A comprehensive annual financial report of the FRS, which includes its financial statements, required supplementary information, actuarial report, and other relevant information, is available from the Florida Department of Management Services' Web site (http://www.dms.myflorida.com/workforce_operations/retirement/publications).

FRS Pension Plan

Plan Description

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

- **Regular Class** – Members of the FRS who do not qualify for membership in the other classes.
- **Elected County Officers Class** – Members who hold specified elective offices in local government.
- **Senior Management Service Class (SMSC)** – Members in senior management level positions.
- **Special Risk Class** – Members who are employed as law enforcement officers and meet the criteria to qualify for this class.

Employees enrolled in the Plan prior to July 1, 2011, vest at six years of creditable service and employees enrolled in the Plan on or after July 1, 2011, vest at eight years of creditable service. All vested members enrolled prior to July 1, 2011 are eligible for normal retirement benefits at age 62 or at any age after 30 years of service (except for members classified as special risk who are eligible for normal retirement benefits at age 55 or at any age after 25 years of service). All members enrolled in the Plan on or after July 1, 2011, once vested, are eligible for normal retirement benefits at age 65 or any time after 33 years of creditable service (except for members classified as special risk who are eligible for normal retirement benefits at age 60 or at any age after 30 years of service). Members of the Plan may include up to 4 years of credit for military service toward creditable service.

The Plan also includes an early retirement provision; however, there is a benefit reduction for each year a member retires before his or her normal retirement date. The Plan provides retirement, disability, death benefits, and annual cost-of-living adjustments to eligible participants.

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

Benefits Provided

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

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

Class, Initial Enrollment, and Retirement Age / Years of Service	% Value Per Year of Service
Regular Class members initially enrolled before July 1, 2011	
Retirement up to age 62 or up to 30 years of service	1.60
Retirement up to age 63 or with 31 years of service	1.63
Retirement up to age 64 or with 32 years of service	1.65
Retirement up to age 65 or with 33 or more years of service	1.68
Regular Class members initially enrolled on or after July 1, 2011	
Retirement up to age 65 or up to 33 years of service	1.60
Retirement up to age 66 or with 34 years of service	1.63
Retirement up to age 67 or with 35 years of service	1.65
Retirement up to age 68 or with 36 or more years of service	1.68
Special Risk Regular	
Service from December 1,1970 through September 30,1974	2.00
Service on or after October 1,1974	3.00
Elected County Officers	
Service as Supreme Court Justice, district court of appeal judge, circuit court judge, or county court judge	3.33
Service as Governor, Lt. Governor, Cabinet Officer, Legislator, state attorney, public defender, elected county official, or elected official of a city or special district that chose EOC membership for its elected officials	3.00
Senior Management Service Class	2.00

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

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Contributions

The Florida Legislature establishes contribution rates for participating employers and employees. Contribution rates in effect from July 1, 2017 through June 30, 2018 were as follows:

	July 1, 2017 to June 30, 2018	
	% of Gross Salary	
Class	**Employee**	**Employer (*)**
FRS, Regular	3.00	7.92
FRS, Elected County Officers	3.00	45.5
FRS, Senior Management Service	3.00	22.71
FRS, Special Risk Regular	3.00	23.27
DROP- Applicable to members from all of the above classes	0.00	13.26

**Employer rates include 1.66% for the postemployment health insurance subsidy. Also, employer rates, other than for DROP participants, include 0.06% for administrative costs of the Investment Plan for the period from July 1, 2017 to June 30, 2018.

The Department's portion of the County's contributions for FRS totaled $4.1 million and employee contributions totaled $1.3 million for the fiscal year ended September 30, 2018.

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

At September 30, 2018, the Department reported a liability of $42.0 million for its proportionate share of the County's share of the Plan's net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2018. The Department's proportionate share of the County's net pension liability was based on the Department's 2017-18 fiscal year contributions relative to the 2017-18 fiscal year contributions of the total County contributions to the Plan. At June 30, 2018, the Department's proportionate share of the County's net pension liability was 1.78%, which was an increase from its proportionate share of 1.77% measured at June 30, 2017.

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For the fiscal year ended September 30, 2018, the Department recognized pension expense of $7.0 million related to the Plan. In addition, the Department reported, in its financial statements, deferred outflows of resources and deferred inflows of resources related to pensions from the following sources (in thousands):

	FY2018	
Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 3,557	$ 129
Change of assumptions	13,718	
Net difference between projected and actual earnings on FRS pension plan investments		3,244
Changes in proportion and differences between the Department's FRS contributions and proportionate share of contributions	733	535
The Department's contributions subsequent to measurement date	1,140	
Total	$ 19,148	$ 3,908

The deferred outflows of resources related to pensions, totaling $1.14 million, resulting from the Department's contributions to the Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Changes in the NPL arising from experience gains/losses, assumption changes, and differences between projected and actual earnings on investments must be recognized in expense over a period of years. Those amounts that are not recognized in expense during the current reporting period are accounted for as deferred inflows and outflows of resources. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

	FY2018
Fiscal Year Ending September 30,	**Deferred outflows/(inflows), net**
2019	$ 5,189
2020	3,715
2021	682
2022	2,571
2023	1,689
Thereafter	254
Total	$ 14,100

Actuarial Assumptions

The FRS pension actuarial valuation was determined using the following actuarial assumptions, as of July 1, 2018, applied to all periods included in the measurement:

	FY2018
Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	7.00% net of pension plan investment expense, including inflation

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Long-Term Expected Rate of Return

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

Asset Class	Target Allocation (1)	Annual Arithmetic Return	Compound Annual (Geometric) Return	Standard Deviation
Cash	1%	2.9%	2.9%	1.8%
Fixed income	18%	4.4%	4.3%	4.0%
Global equity	54%	7.6%	6.3%	17.0%
Real estate (property)	11%	6.6%	6.0%	11.3%
Private equity	10%	10.7%	7.8%	26.5%
Strategic investments	6%	6.0%	5.7%	8.6%
	100%			
Assumed inflation-Mean		2.6%		1.9%

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

Discount Rate

The discount rate used to measure the total pension liability of the Plan was 7.00%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions will be made at the statutorily required rates. The Pension Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the discount rate for calculating the total pension liability is equal to the long-term expected rate of return. The FRS Actuarial assumption Conference is responsible for setting the assumptions used in the valuations of the defined benefit plans pursuant to Section 216.136 (10), Florida Statutes. The 7.00% rate of return assumption used in the June 30, 2018 calculations was determined by the Plan's consulting actuary to be reasonable and appropriate per Actuarial Standard of Practice No. 27 (ASOP 27) for accounting purposes which differs from the rate used for funding purposes which is used to establish the contribution rates for the Plan.

Sensitivity of the Department's Proportionate Share of the County's Net Pension Liability to Changes in the Discount Rate
The following represents the Department's proportionate share of the County's net pension liability calculated using the discount rate of 7.00%, as well as what the Department's proportionate share of the County's net pension liability would be if it were calculated using a discount rate that is one percent point lower (6.00%) or one percent point higher (8.00%) than the current rate (in thousands):

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
FY2018 Department's proportionate share of the County's net pension liability:	$ 76,624	$ 41,985	$ 13,215

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

The County's proportionate share of the Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of September 30, 2018, and pension expense/adjustment for the fiscal year ended September 30, 2018 were allocated to the Department as follows (in thousands):

FRS PENSION

Fiscal Year	Net Pension Liability	Deferred Outflow of Resources	Deferred Inflow of Resources	Pension Expense Adjustment
2018	$41,985	$19,148	$3,908	$3,034

The Retiree Health Insurance Subsidy Program (HIS)

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

Benefits Provided
For the fiscal year ended September 30, 2018 eligible retirees and beneficiaries received a monthly HIS payment of $5 for each year of creditable service completed at the time of retirement, with a minimum HIS payment of $30 and a maximum HIS payment of $150 per month, pursuant to Section 112.363, Florida Statutes. To be eligible to receive a HIS Plan benefit, a retiree under a State-administered retirement system must provide proof of health insurance coverage, which may include Medicare.

Contributions
The HIS Plan is funded by required contributions from FRS participating employers as set by the Florida Legislature. Employer contributions are a percentage of gross compensation for all active FRS members. For the fiscal year ended September 30, 2018, the HIS contribution for the period July 1, 2017 through June 30, 2018 and

from July 1, 2018 through September 30, 2018 was 1.66%. The Department contributed 100% of its statutorily required contributions for the current fiscal and preceding fiscal year. The HIS Plan contributions are deposited in a separate trust fund from which payments are authorized. HIS Plan benefits are not guaranteed and are subject to annual legislative appropriation. In the event the legislative appropriation or available funds fail to provide full subsidy benefits to all participants, benefits may be reduced or canceled.

The Department's share of the County's contributions to the HIS Plan totaled $613 thousand for the fiscal year ended September 30, 2018.

<u>Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions</u>

At September 30, 2018, the Department reported a net pension liability of $11.9 million for its proportionate share of the County's share of the HIS Plan's net pension liability. The total pension liability was determined by an actuarial valuation as of June 30, 2018. The Department's proportionate share of the County's net pension liability was based on the Department's 2017-18 fiscal years contributions relative to the 2017-18 fiscal years contributions of the total County contributions to the Plan. At June 30, 2018, the Department's proportionate share of the County's net pension liability was 1.78%, which was an increase from its proportionate share of 1.77% measured at June 30, 2017.

For the fiscal year ended September 30, 2018, the Department recognized pension expense of $908 thousand related to the HIS Plan. In addition, the Department reported, in the financial statements, deferred outflows of resources and deferred inflows of resources related to the HIS Plan from the following sources (in thousands):

	FY2018	
Description	**Deferred Outflows of Resources**	**Deferred Inflows of Resources**
Differences between expected and actual experience	$ 182	$ 20
Change of assumptions	1,319	1,254
Net difference between projected and actual earnings on HIS pension plan investments	7	
Changes in proportion and differences between the Department's HIS contributions and proportionate share of HIS contributions	280	74
The Department's contributions subsequent to measurement date	167	
Total	**$ 1,955**	**$ 1,348**

The deferred outflows of resources related to pensions, totaling $167 thousand, resulting from the Department's contributions to the HIS Plan subsequent to the measurement date, will be recognized as a reduction of the net pension liability in the fiscal year ended September 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows (in thousands):

Fiscal Year Ending September 30,		FY2018 Deferred outflows/(inflows), net
2019	$	**189**
2020		**189**
2021		**153**
2022		**61**
2023		**(143)**
Thereafter		**(9)**
Total	**$**	**440**

Actuarial Assumptions

The HIS pension as of July 1, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

	FY2018
Inflation	2.60%
Salary Increases	3.25% average, including inflation
Investment Rate of Return	3.87%

Mortality rates were based on the Generational RP-2000 with Projection Scale BB tables.

The actuarial assumptions that determined total pension liability as of June 30, 2018 were based on the results of an actuarial experience study for the period July 1, 2008 through June 30, 2013.

Discount Rate

The discount rate used to measure the total pension liability for the HIS Plan was 3.87%. In general, the discount rate for calculating the total pension liability is equal to the single rate equivalent to discounting at the long-term expected rate of return for benefit payments prior to the projected depletion date. Because the HIS benefit is essentially funded on a pay-as-you-go basis, the depletion date is considered to be immediate, and the single equivalent discount rate is equal to the municipal bond rate selected by the HIS Plan sponsor. The Bond Buyer General Obligation 20-Bond Municipal Bond Index was adopted as the applicable municipal bond index.

Sensitivity of the Department's Proportionate Share of the County's Net Pension Liability to Changes in the Discount Rate

The following represents the Department's proportionate share of the County's net pension liability calculated using a discount rate of 3.87%, as well as what the Department's proportionate share of the County's net pension liability would be if it were calculated using a discount rate of one percent point lower (2.87%) or one percent point higher (4.87%) than the current rate (in thousands):

	1% Decrease 2.87%	Current Discount Rate 3.87%	1% Increase 4.87%
FY2018 Department's proportionate share of the County's net pension liability	$ 13,511	$ 11,863	$ 10,489

Pension plan fiduciary net position

Detailed information regarding the HIS Plan's fiduciary net position is available in the separately issued FRS Pension Plan and Other State-Administered Systems Comprehensive Annual Financial Report (see above).

The County's proportionate share of the HIS Plan's net pension liability, deferred outflow of resources and deferred inflow of resources as of September 30, 2018, and pension expense/adjustment for the fiscal year ended September 30, 2018 was allocated to the Department as follows (in thousands):

HIS PLAN

Fiscal Year	Net Pension Liability	Deferred Outflow of Resources	Deferred Inflow of Resources	Pension Expense Adjustment
2018	$11,863	$1,955	$1,348	$334

FRS – Defined Contribution Pension Plan

The Department contributes to the FRS Defined Contribution Investment Plan (Investment Plan). The Investment Plan is administered by the State Board of Administration (SBA), and is reported in the SBA's annual financial statements and in the State of Florida Comprehensive Annual Financial Report.

As provided in Section 121.4501, Florida Statutes, eligible FRS members may elect to participate in the Investment Plan in lieu of the FRS defined benefit plan. Miami Dade County employees participating in the DROP are not eligible to participate in the Investment Plan. Employer and employee contributions, including amounts contributed to individual member's accounts, are defined by law, but the ultimate benefit depends in part on the performance of investment funds. Benefit terms, including contribution requirements, for the Investment Plan are established and may be amended by the Florida Legislature. The Investment Plan is funded with the same employer and employee contribution rates that are based on salary and membership class (Regular Class, Elected County Officers, etc.), as the FRS Pension Plan. Contributions are directed to individual member accounts, and the individual members allocate contributions and account balances among various approved investment choices. Allocations to the investment member's accounts, as established by Section 121.72, Florida Statutes, are based on a percentage of gross compensation, by class, as follows:

Membership Class	% of Gross Compensation
FRS, Regular	6.30
FRS, Elected County Officers	11.34
FRS, Senior Management Service	7.67
FRS, Special Risk Regular	14.00

For all membership classes, employees are immediately vested in their own contributions and are vested after one year of service for employer contributions and investment earnings. If an accumulated benefit obligation for service credit originally earned under the FRS Pension Plan is transferred to the Investment Plan, the member must have the years of service required for FRS Pension Plan vesting (including the service credit represented by the transferred funds) to be vested for these funds and the earnings on the funds. Non-vested employer contributions are placed in a suspense account for up to five years. If the employee returns to FRS-covered employment within the five-year period, the employee will regain control over their account. If the employee does not return within the five-year period, the employee will forfeit the accumulated account balance. Costs of administering the Investment Plan, including the FRS Financial Guidance Program, are funded through an employer contribution of 0.06% of payroll and by forfeited benefits of Investment Plan members for fiscal year 2018. For the fiscal year ended September 30, 2018, the information for the amount of forfeitures was unavailable from the SBA; however, management believes that these amounts, if any, would be immaterial to the Department.

After terminating and applying to receive benefits, the member may rollover vested funds to another qualified plan, structure a periodic payment under the Investment Plan, receive a lump-sum distribution, leave the funds invested for future distribution, or any combination of these options. Disability coverage is provided under the Investment Plan if the member becomes permanently and totally disabled. The member must transfer the account balance to the FRS Trust Fund when approved for disability retirement to receive guaranteed lifetime monthly benefits under the FRS Pension Plan.

The Department's contributions to the FRS Investment Plan totaled $303 thousand and the employee contributions totaled $272 thousand for the fiscal year ended September 30, 2018

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. Accumulated unpaid vacation and sick leave benefits are accrued as a liability and charged to expense at the time the employees perform the services which give rise to the benefits.

Accrued vacation, sick pay and departure incentive program payable which are included in the compensated absences line item in the accompanying Statement of Net Position, totaled approximately $17.9 for September 30, 2018.

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

The Department as an enterprise fund of the County participates in the County's Postemployment Benefits Plan.

Plan Description. Miami-Dade County ("the County") administers a single-employer defined benefit health-care plan ("the Plan") that provides postretirement medical, hospital, pharmacy 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.

Participation in the Health Plan consisted of the following at September 30, 2018:

	TOTAL
Inactive employees currently receiving benefit payments	3,732
Active employees	35,965
Total	39,697

There are no inactive employees entitled to but not yet receiving benefit payments since eligible employees who elect not to participate in the plan at any time, lose the right to join the plan at a later date.

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 Employees (all employees not identified as members of the Special Risk Class) hired prior to July 1, 2011 are eligible for postemployment benefits at age 62 with six years of service, or with 30 years of service at any age. Eligibility for reduced retirement is six years of service at any age. Those hired on or after July 1, 2011 are eligible at age 65 with eight years of service, or 33 years of service at any age.

- Special Risk Employees (Police Officers, Firefighters and Corrections Officers) hired prior to July 1, 2011 are eligible for postemployment benefits at age 55 with six years of service, or with 25 years of service at any age. Eligibility for reduced retirement is six years of service at any age. Those hired on or after July 1, 2011 are eligible at age 60 with eight years of service, or 30 years of service at any age.

Benefits: A number of plan changes to the pre-Medicare retiree plans were made effective January 1, 2017. The valuation reflects the impact of these changes.

Eligible pre-Medicare retirees receive health care coverage through one of four self-funded medical plans.
- AvMed POS
- AvMed HMO High
- AvMed HMO Select
- Jackson First HMO

Retirees may continue coverage beyond Medicare eligibility by enrolling in one of the County-sponsored, self-insured Medicare Supplemental plans provided by AvMed. The County only contributes to post-65 retirees electing one of these plans.
- AvMed Medicare Supplement Low Option with RX
- AvMed Medicare Supplement High Option with RX
- AvMed Medicare Supplement High Option without RX

Funding Policy. The County contributes to both the pre-65 and post-65 retiree medical coverage. Medical contributions vary based on plan and tier. Retirees pay the full cost of dental coverage. The postretirement medical is currently funded on a pay-as-you go basis (i.e., Miami-Dade County funds on a cash basis as benefits are paid). The County's contribution is the actual pay-as-you-go postemployment benefit payments less participant contributions for the period October 1, 2017 to September 30, 2018. No assets have been segregated and restricted to provide postretirement benefits.

Contributions are required for both retiree and dependent coverage. Retirees contribute a portion of the full active premium equivalent rates for health coverage. The full monthly premiums, retiree contribution amounts and the County subsidies effective January 1, 2018 through December 31, 2018 are provided in the tables below. The County subsidy is assumed to remain flat.

Pre Medicare Premium Equivalent Rates

AvMed HMO High	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$774.24	$204.36	$569.88
Retiree + Spouse	$1,625.02	$360.38	$1,264.64
Retiree + Child(ren)	$1,505.18	$339.47	$1,165.71
Retiree + Family	$1,981.83	$418.43	$1,563.40

AvMed HMO POS	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$1,496.89	$177.80	$1,319.09
Retiree + Spouse	$2,849.77	$302.75	$2,547.02
Retiree + Child(ren)	$2,611.66	$175.12	$2,436.54
Retiree + Family	$3,868.19	$711.37	$3,156.82

AvMed Select	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$720.05	$204.36	$515.69
Retiree + Spouse	$1,511.29	$360.38	$1,150.91
Retiree + Child(ren)	$1,399.80	$339.47	$1,060.33
Retiree + Family	$1,843.10	$418.43	$1,424.67

Jackson First HMO	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$684.04	$204.36	$479.68
Retiree + Spouse	$1,435.74	$360.38	$1,075.36
Retiree + Child(ren)	$1,329.81	$339.47	$990.34
Retiree + Family	$1,750.93	$418.43	$1,332.50

Medicare Retiree Premium Equivalent Rates

Med Supp High	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$990.03	$233.58	$756.45
Retiree + Spouse 65+	$1,696.09	$260.15	$1,435.94

Med Supp Low	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$884.11	$208.59	$675.52
Retiree + Spouse 65+	$1,514.70	$232.33	$1,282.37

Med Supp High No Rx	Full Premium	County Subsidy	Retiree Contribution
Retiree Only	$430.33	$101.53	$328.80
Retiree + Spouse 65+	$737.25	$113.08	$624.17

Total OPEB Liability

The County's total OPEB liability was measured as of September 30, 2018, and was determined by an actuarial valuation as of that date. The Department's share of the County's OPEB liability was $20.5 million.

Actuarial assumptions and other inputs. The total County's OPEB liability in the September 30, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement unless otherwise specified

MDC

Measurement date as of September 30, 2018

Valuation Date	September 30, 2018
Discount Rate	3.63% per annum (BOY)
	4.24% per annum (EOY)
Salary Increases Rate	3.5% per annum
Medical Consumer Price Index Trend	2.0% per annum (chained CIP)
Inflation Rate	3.0% per annum
Actuarial Cost Method	Entry Age Normal based on level percentage of projected salary.
Amortization Method	Amortization/Assumptions gains and losses are amortized over a close period of 11.4 years starting October 1, 2017, equal to the average remaining service of active and inactive plan members.
Healthcare cost trend rates	Medical/Rx 7.0% select to 4.5% ultimate
Retirees' share of benefit-related costs	43.1%
Mortality Rates	RP-2014 generational table scaled using MP-18 and applied on a gender - specific basis

The discount rate was based on the Bond Buyer 20-Bond GO index.

The actuarial assumptions used in the September 30, 2018 valuation were based on the Florida Retirement System's valuation assumptions and Miami Dade County's claims experience for the period of October 1, 2017 to September 30, 2018.

CHANGES IN TOTAL OPEB LIABILITY

Changes in the Department's share of County's OPEB liability for the fiscal year ended September 30, 2018 are as follows (in thousands):

Balance at September 30, 2017 (as restated)	$ 21,696
Changes for the Year:	
Service Cost	358
Interest	720
Change in Assumptions	(1,168)
Difference Between Expected and Actual Experience	-
Benefits Payments	(1,071)
Balance at September 30, 2018	$ 20,535

The decrease in the total OPEB liability is mostly due to: (1) a change in the actuarial cost method from Projected Unit Credit to Entry Age Normal, (2) a change to the chained CPI, which is used to calculate the excise tax, and (3) resetting the base trend.

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Department's share of the County's OPEB liability, as well as what the Department's share of the County's OPEB liability would be if it were calculated using a discount rate that 1-percentage-point lower or 1-percentage-point higher than the current discount rate (in thousands):

	1% Decrease (3.24%)	Current Discount Rate (4.24%)	1% Increase (5.24%)
Total Department's OPEB Liability	$22,503	$20,535	$18,812

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend.

The following presents the Department's share of the County's OPEB liability, as well as what the Department's share of the County's OPEB liability would be if it were calculated using healthcare cost trend rates are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates (in thousands):

	1% Decrease	CurrentTrend	1% Increase
Total Department's OPEB Liability	$18,690	$20,535	$22,802

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2018, the Department recognized an OPEB expense of $1.078 million for its share of the County's OPEB expense. At September 30, 2018, the Department reported deferred inflows of resources related to its share of the County's OPEB from the following sources (in thousands):

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ -	$ -
Changes in assumptions/inputs	-	1,064
Net difference between projected and actual investments	-	-
Total	$ -	$ 1,064

Amounts reported as Deferred Inflows of Resources related to the Department's share of the County's OPEB will be recognized in OPEB Expense as follows (in thousands):

Fiscal Year Ending September 30,	**Amount**
2019	**$** 102
2020	102
2021	102
2022	102
2023	102
Thereafter	554
Total	**$** 1,064

ALLOCATED TO THE DEPARTMENT

Amounts allocated to the Department from the County's net OPEB liability, deferred inflows, and OPEB expense were as follows (in thousands):

Net OPEB Liability	Deferred Inflows	OPEB Expense
$20,535	$ 1,064	$ 1,078

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 $7.1 million in revenues for fiscal year ended 2018. These revenue 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 Statement of Revenues, Expenses and Changes in Fund Net Position, for the year ended September 30, 2018, as follows (in thousands):

	2018
General County Support Charge	$ 7,795
GSA-Risk Management	1,886
GSA-Fleet Management & Other	37,237
Information Technology Dept.	4,490
Other County Departments	192
Total	**$ 51,600**

10. Closure and Postclosure Care

At September 30, 2018, the Department's total liability for landfill closure and postclosure care costs was $80.4 million. For the fiscal year ended September 30, 2018, $80.7 million relates to active landfills and a cost recovery of $284 thousand 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, 2018.

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 Statements of Net Position (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 paid 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 Miami-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 Statement of Net Position includes $34.1 million in restricted net position for groundwater protection as of September 30, 2018.

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 year 2018 is summarized as follows (in millions):

	ND	SD	RR	Total
Balance, 10/01/2017	$ 35.2	$ 30.7	$ 8.8	$ 74.7
Amortization	1.9	1.8	2.3	6.0
Other Reductions	-	-	-	-
Balance, 09/30/2018	$ 37.1	$ 32.5	$ 11.1	$ 80.7

The liability balance of $80.7 million as of September 30, 2018, represents an increase of $6 million when compared to the preceding year. This increase resulted from the effects of an increase to expense of $6 million in the current period to adjust the recorded liability to the amount required to be recognized based on the capacity used and the current estimates for closure and postclosure care costs.

There were no unrecognized costs and unrecognized capacity used to date as of September 30, 2018. Unrecognized costs are recognized on a current basis as the existing estimated capacity of 4.1 million tons at September 30, 2018 is used. This existing estimated capacity is expected to last until 2023 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), Olinda Park Closure Enhancement (Olinda), Taylor Park Remediation (Taylor) and Miami Gardens Remediation (Miami Gardens).

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 (see Note 4).

The change in the closure and postclosure care liability related to inactive landfills for fiscal years 2018 is summarized as follows (in millions):

	Main	Ojus	OSD	Olinda	Taylor	Miami Gardens	Total
Balance, 10/01/2017	$ (0.4)	$ 0.8	$ (1.6)	$ (0.5)	$ 1.4	$ 0.0	$ (0.3)
Expense (Credit)	(0.2)	-	(0.3)	0.7	-	-	0.2
Other Reductions	(0.1)	-	-	-	-	-	(0.1)
Balance, 09/30/2018	$ (0.7)	$ 0.8	$ (1.9)	$ 0.2	$ 1.4	$ 0.0	$ (0.2)

The liability balance of the inactive landfills for fiscal year 2018 reflects a $0.20 million decrease. When compared to the preceding year, the liability balance increased by $0.1 million reflecting the combined effects of (1) an increase to expense of $0.2 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 $100 thousand 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 are 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, 2018, the Department had identified 2 events leading to remediation obligations. These related to ammonia-nitrogen contamination found in the groundwater at the 58th Street Landfill and North 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 ($80.4 million) as of September 30, 2018. For fiscal year 2018, the Department recognized a recovery (credit to expense) of approximately $272 thousand for 58th Street Landfill and approximately $1.9 million in expenses for North Dade Landfill (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 Year 2018:

(In thousands)

	Ending Balance at 9/30/2017		Additions		Reductions	Ending Balance at 9/30/2018		Due Within One Year	
Bonds payable:									
Revenue Refunding Bonds Series 2015	$ 74,100		$ -		$ (12,480)	$ 61,620		$ 8,995	(a)
Add unamortized bond premium:									
Series 2015	7,579		-		(583)	6,996		-	
Total	81,679		-		(13,063)	68,616		8,995	
Other liabilities:									
Equipment Lease/Purchase Agreement, Series 2017	25,737		-		(3,278)	22,459		3,335	(a)
Equipment Lease/Purchase Agreement, Series 2018	-		12,934	(b)	-	12,934		835	(a)
Compensated absences and Departure Incentive Program	17,339		5,269		(4,698)	17,910		3,891	
Liability for landfill closure/postclosure care costs	74,437		5,991		-	80,428		1,164	
Unearned Revenue	41		-		(3)	38	(c)	-	
Pensions and HIS	52,512		1,336		-	53,848		-	
Other Postemployment Benefits	21,696	(d)	1,078		(2,239)	20,535		-	
Total long-term liabilities (incuding current portion)	$ 273,441		$ 26,608		$ (23,281)	$ 276,768		$ 18,220	

(a) See current portion of bonds & capital lease obligation fiscal year ended 9/30/2018.
(b) Equipment Lease/Purchase Agreement, Series 2018, issued on 8/8/2018.
(c) See Statement of Net Position as of 9/30/2018, total $38.
(d) This figure was restated at 10/1/17 from $2,712 at 9/30/17pursuant to the implementation of GASB Statement No. 75. See Note 1 for the restatement of Net Position.

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13. Resources Recovery Facility

The County entered into 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 was effective as of October 1, 2009) by and between the County and Covanta Dade Renewal Energy, LLC (at the time of the agreement known as Covanta Dade Renewable Energy Ltd., a Florida limited partnership), for the purpose of amending and restarting in its entirety the 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 (at the option of the County) 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 to produce electricity.

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 & Light, Rainbow Energy Marketing Corp., Duke Energy and the City of Homestead. Accordingly, these payments are treated as an operations and maintenance expense.

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 year ended 2018, the County recorded expenses of $48.4 million in tipping fees to the Operator. The rates charged for tipping fees as of September 30, 2018 were $49.57 per ton for on-site waste processing other than tires and $89.36 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 $2.06 per ton as a recycle credit fee.

In addition to tipping fees, the Department recorded $4.5 million in pass-thru-invoices and other during fiscal year 2018.

In the event of termination of the O&M Agreement, the County must find a successor operator. The final actual tipping fees for fiscal year 2018 totaled $48.4 million, as required by the Agreement.

14. Commitments and Contingencies

Contract Disposal

During fiscal year 2018, 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, 2035, 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 250,000 tons of waste per year to a landfill located in the Town of Medley, Florida. The County may dispose up to 500,000 tons of waste at the Medley landfill site. Waste deliveries over 500,000 tons may be disposed of at two alternate landfill sites: up to 250,000 tons of waste in the Monarch Hill landfill site and up to 500,000 tons of waste in the Okeechobee County landfill site.

The contract fixed the disposal fee paid by the County at $34.92 per ton in fiscal year 2018. As of September 30, 2018, the County was in compliance with this contract. The Department recorded expenses of $11.8 million for these disposal costs in fiscal year 2018.

On September 30, 2015, the County executed the Second Amended and Restated Agreement with Progressive Waste Solutions ("Progressive"). The contract is effective until September 30, 2025, with two additional five-year renewal options. Under the terms of the contract, Progressive must deliver 51% of the total solid waste they collect in Miami-Dade County to WM facilities for disposal. Also, the County has a guaranteed capacity of up to 500,000 tons of waste per year at the Progressive JED Landfill. If the Department elects or needs to dispose of solid waste at this landfill, the disposal rate (which started at $20 per ton of waste) changes each fiscal year, subject to annual CPI adjustment. For fiscal year 2018, the fee was $20.51.

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 $31.02 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 closure grant expenses as the City incurs and presents documentation for reimbursement of eligible reimbursable costs.

During Fiscal Year 2018, the Department recorded expenses of $141 thousand for Munisport Closure Grant costs while $508 thousand in reimbursable costs were disbursed by the City, leaving a remaining balance of approximately $9.9 million in the escrow account (after recognizing approximately $32 thousand in interest income for fiscal year 2018) at September 30, 2018. The escrow account balance is reported as part of restricted cash and cash equivalents in the Department's financial statements.

Virginia Key Closure Grant – The County and the City of Miami, Florida entered into an interlocal agreement to fund the remediation and closure project at Virginia Key Landfill Site. The estimate for remediation and closure cost for Virginia Key is $46 million. The Project outlined on the Solid Waste System Revenue Bonds, Series 2005 (refunded via Solid Waste System Revenue Refunding Bonds, Series 2015 in fiscal year 2016) included $28.3 million for the City of Miami's Virginia Key Study and Closure. The unused bond proceeds and the corresponding interest earnings are restricted in the Construction Account. The balance of the Virginia Key closure costs will be funded with future debt.

During fiscal year 2018, the Department recorded expenses of $198 thousand for Virginia Key Closure Grant costs while processing Virginia Key disbursements of $528 thousand. Approximately $4.8 million had been expensed for all periods since the bond issuance, leaving a remaining balance of approximately $23.5 million from the $28.3 million as of September 30, 2018.

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 is not likely to have a material, adverse impact on the financial position of the Department.

Construction

The Department had contractual commitments of approximately $ 20.2 million for construction projects at September 30, 2018.

Consent Orders

During fiscal year 2018, there were no known violations of the National Electric Reliability Corporation (NERC) standards, which are administered by the Florida Reliability Coordinating Council (FRCC), involving the Resources Recovery Facility (RRF).

There were no significant incidents resulting in enforcement actions by the primary environmental regulatory agencies, specifically the United States Environmental Protection Agency (USEPA), the Florida Department of Environmental Protection (FDEP), or the local agency, Regulatory and Economic Resources Department (RER). Additionally, there were no violations noted by other environmental regulatory agencies having jurisdiction over the Department's solid waste facilities during fiscal year 2018.

Significant environmental programs such as the operation of landfill gas control 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 2018. The Department also made timely submittal of all required monitoring reports to federal, state, and environmental regulatory agencies during fiscal year 2018.

15. Subsequent Event

On February 5, 2019, the Board of County Commissioners passed a resolution approving a contract for sale and purchase in the amount of $8,900,000 between the Trustee of a Revocable Trust Agreement, as seller, and the County, as buyer, for approximately 10 acres of vacant land located at the southeast corner of NW 66 Street and NW 102 Avenue, Doral, Florida, and authorizing the expenditure of up to $30,000 for closing costs to be funded from the Department of Solid Waste Management proprietary funds; authorizing the County Mayor or his designee to execute the contract for sale and purchase, exercise all rights conferred therein, take all other actions necessary to effectuate said purchase and accept conveyance of the property by warranty deed and record such deed. On March 11, 2019, the Department made a wire transfer payment of $8,413,284 to complete this purchase.

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Required Supplementary Information

Schedule of the Department's Proportionate Share of the County's share of Net Pension Liability
Florida Retirement System Pension Plan
September 30, 2018, September 30, 2017, September 30, 2016, September 30, 2015 and September 30, 2014
(In thousands)

	2018	2017	2016	2015 (1)	2014 (1)
Department's proportion of the County's share of FRS net pension liability	1.7800%	1.7738%	1.63%	1.60%	1.60%
Department's proportionate share of the County's share of FRS net pension liability	$ 41,985	$ 40,773	$ 31,200	$ 15,300	$ 7,313
Department's covered payroll	$ 59,472	$ 54,849	$ 46,078	$ 89,216	$ 90,725
Department's proportionate share of the County's share of FRS net pension liability as a percentage of its covered payroll	70.60%	74.34%	67.71%	17.15%	8.06%
FRS Plan fiduciary net position as a percentage of the total pension liability	84.26%	83.89%	84.88%	92.00%	96.09%

Note: The amounts presented for each fiscal year were determined as of June 30th. The covered payroll includes the payroll for Investment Plan members. Currently, only data for fiscal years ending September 30, 2014, 2015, 2016, 2017, and 2018 are available. Covered payroll for 2014 through 2016 was restated due to the implementation of GASB Statement No. 82.

Schedule of the Department's Contributions
Florida Retirement System Pension Plan
September 30, 2018, September 30, 2017, September 30, 2016, September 30, 2015 and September 30, 2014
(In thousands)

	2018	2017	2016	2015 (1)	2014 (1)
Contractually required FRS contribution	$ 4,127	$ 3,773	$ 3,200	$ 2,900	$ 2,625
FRS contribution in relation to the contractually required contribution	$ 4,127	$ 3,773	$ 3,200	$ 2,900	$ 2,625
FRS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Department's covered payroll	$ 58,953	$56,939	$48,021	$86,492	$90,906
FRS contribution as a percentage of covered payroll	7.00%	6.63%	6.66%	3.35%	2.89%

Note: The covered payroll includes the payroll for Investment Plan members. Currently, only data for fiscal years ending September 30, 2014, 2015, 2016, 2017 and 2018 are available. Covered payroll for 2014 through 2016 was restated due to the implementation of GASB Statement No. 82.

(1) Miami-Dade County included figures reflecting both Public Works and Waste Management functions under covered payroll in the presentation for fiscal years 2015 and 2014.

The notes to the required supplementary information are an integral part of this statement.

Schedule of the Department's Proportionate Share of the County's Share of Net Pension Liability
Health Insurance Subsidy Pension Plan
September 30, 2018, September 30, 2017, September 30, 2016, September 2015 and September 30, 2014
(In thousands)

	2018	2017	2016	2015 (1)	2014 (1)
Department's proportion of the County's share of HIS net pension liability	1.7800%	1.7738%	1.63%	1.60%	1.60%
Department's proportionate share of the County's share of HIS net pension liability	$ 11,863	$ 11,754	$ 11,400	$ 10,038	$ 9,163
Department's covered payroll	$ 50,370	$ 46,581	$ 38,953	$ 77,076	$ 78,787
Department's proportionate share of the County's share of HIS net pension liability as a percentage of its covered payroll	23.55%	25.23%	29.27%	13.02%	11.63%
HIS Plan fiduciary net position as a percentage of the total pension liability	2.15%	1.64%	0.97%	0.50%	0.99%

Note: The amounts presented for each fiscal year were determined as of June 30th. Currently, only data for fiscal years ending September 30, 2014, 2015, 2016, 2017, and 2018 are available. Covered payroll for 2014 through 2016 was restated due to the implementation of GASB Statement No. 82.

Schedule of the Department's Contributions
Health Insurance Subsidy Pension Plan
September 30, 2018, September 30, 2017, September 30, 2016, September 2015 and September 30, 2014
(In thousands)

	2018	2017	2016	2015 (1)	2014 (1)
Contractually required HIS contribution	$ 613	$ 594	$ 523	$ 376	$ 336
HIS contribution in relation to the contractually required contribution	$ 613	$ 594	$ 523	$ 376	$ 336
HIS contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Department's covered payroll	$ 49,814	$ 48,428	$ 40,602	$ 77,347	$ 78,913
HIS contribution as a percentage of covered payroll	1.23%	1.23%	1.29%	0.49%	0.43%

Note: Currently, only data for fiscal years ending September 30, 2014, 2015, 2016, 2017 and 2018 are available. Covered payroll for 2014 through 2016 was restated due to the implementation of GASB Statement No. 82.

(1) Miami-Dade County included figures reflecting both Public Works and Waste Management functions under covered payroll in the presentation for fiscal years 2015 and 2014.

The notes to the required supplementary information are an integral part of this statement.

Required Supplementary Information

Schedule of Changes in the Department's Share of the County's OPEB Liability and Related Ratios
September 30, 2018
(In thousands)

		2018
Total OPEB Liability		
Service cost	$	358
Interest	$	720
Changes in benefit terms		-
Difference between expected and actual experience		-
Changes in assumptions and other inputs	$	(1,168)
Benefit payments	$	(1,071)
Net change in total OPEB liability	$	(1,161)
Total OPEB liability - beginning	$	21,696
Total OPEB liability - ending	$	20,535
Covered payroll	$	49,825
Total OPEB liability as a percentage of covered payroll		41%

Changes in assumptions: Changes in assumptions and other inputs reflect the effects of changes in the discount rate each period. The following are the discount rates used each period:

2018	4.24%
2017	3.63%

Currently, only data for fiscal year 2018 is available.

The notes to the required supplementary information are an integral part of this statement.

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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 Schedule of Net Position

		September 30, 2018
		(In thousands)
Assets		
CURRENT ASSETS		
Cash and cash equivalents	$	**20,564**
Investments		**76,778**
Accounts receivable, net		**9,712**
Loans receivable from other County funds		**142,391**
Total Unrestricted Current Assets		**249,445**
Current Restricted Assets		
Cash and cash equivalents		**6,289**
Accounts receivable		**5,424**
Total Restricted Current Assets		**11,713**
Total Current Assets		**261,158**
NON-CURRENT ASSETS		
Restricted Assets		
Cash and cash equivalents		**35,369**
Investments		**103,478**
Total Restricted Non-Current Assets		**138,847**
Capital Assets, net		**114,685**
Total Capital Assets, net		**114,685**
Other Assets		
Loans receivable from other County funds		**12,335**
Other		**1,451**
Total Other Assets		**13,786**
Total Non-Current Assets		**267,318**
Total Disposal Assets		**528,476**
Deferred Outflows of Resources		
Pensions		**9,574**
Retiree Health Insurance Subsidy Program		**977**
Total Deferred Outflows of Resources		**10,551**
Total Disposal Assets and Deferred Outflows	**$**	**539,027**

Continued

See accompanying independent auditor's report.

		September 30, 2018 (In thousands)
Liabilities		
CURRENT LIABILITIES		
Payable from Unrestricted Assets		
Accounts payable and accrued expenses	$	**11,279**
Due to other County funds		**1,675**
Compensated absences		**1,327**
Other current liabilities		**190**
Liability for closure and postclosure care costs		**1,164**
Total Payable from Unrestricted Assets		**15,635**
Payable from Restricted Assets		
Accounts payable		**52**
Accrued interest payable		**1,476**
Bonds payable		**8,995**
Capital lease obligation		**1,190**
Total Payable from Restricted Assets		**11,713**
Total Current Liabilities		**27,348**
Long-Term Liabilities		
Long-term portion of bonds payable, net of unamortized premiums and discounts		**59,621**
Capital lease obligation		**8,540**
Liability for closure & postclosure care costs		**79,264**
Compensated absences		**4,802**
Other long-term liabilities		**38**
Pensions and Health Insurance Subsidy Program		**26,924**
Postemployment benefits		**10,322**
Total Long-Term Liabilities		**189,511**
Total Disposal Liabilities		**216,859**
Deferred Inflows of Resources		
Deferred gain on refunding		**489**
Pensions		**1,954**
Retiree Health Insurance Subsidy Program		**674**
Postemployment benefits		**532**
Total Deferred Inflows of Resources		**3,649**
Total Disposal Liabilities and Deferred Inflows		**220,508**
Total Net Positon	**$**	**318,519**

Due from other County funds balance (current $142,391 after interest and long term $12,335) will be eliminated in the combined Statement of Net Position presentation.

See accompanying independent auditor's report.

Disposal System

Supplemental Schedule of Revenues, Expenses and Changes in Fund Net Position

		For the Fiscal Year Ended September 30, 2018
		(In thousands)
Operating Revenues		
Solid waste disposal services	$	**74,697**
Utility service fees		**18,924**
Electricity sales		**10,043**
Other operating revenues		**16,901**
Total Disposal Operating Revenues		**120,565**
Operating Expenses		
Landfill & disposal operations, net of change in closure & postclosure care cost estimates for active landfills		**30,290**
Waste-to-energy		**60,348**
Transfer operations		**29,136**
Facility maintenance		**3,254**
Enforcement and environmental compliance		**3,729**
General and administrative		**19,124**
Subtotal		**145,881**
Depreciation		**4,930**
Closure and Postclosure Care Costs (Recovery) for Inactive Landfills		**217**
Total Disposal Operating Expenses		**151,028**
Disposal Operating Loss		**(30,463)**
Non-Operating Revenues (Expenses)		
Interest income		**4,165**
Interest expense		**(716)**
Closure grants		**(339)**
Other Income (expense), net:		
Hurricane related expenses		**(3,010)**
Other		**947**
Total Disposal Non-Operating Income, Net		**1,047**
Capital Contributions		**3,542**
Change in Net Position Before Elimination		**(25,874)**
Elimination*		**54,722**
Change in Net Position After Elimination	$	**28,848**

*Impact to Net Position by the elimination of tipping fees (in Solid Waste Disposal Services revenue above) received from the Waste Collection System.

Interest income in the amount of $1,015 will be eliminated in the combined Statement of Net Position presentation.

See accompanying independent auditor's report.

Waste Collection System

Supplemental Schedule of Net Position

	September 30, 2018 (In thousands)
Assets	
CURRENT ASSETS	
Cash and cash equivalents	$ **100**
Investments	**100**
Accounts receivable, net	**1,902**
Due from other governments, net	**80**
Total Unrestricted Current Assets	**2,182**
Current Restricted Assets	
Cash and cash equivalents	**478**
Investments	**1,073**
Total Restricted Current Assets	**1,551**
Total Current Assets	**3,733**
NON-CURRENT ASSETS	
Capital Assets, net	**53,303**
Total Capital Assets, net	**53,303**
Total Non-Current Assets	**53,303**
Total Collection Assets	**57,036**
Deferred Outflows of Resources	
Pensions	**9,574**
Retiree Health Insurance Subsidy Program	**978**
Total Deferred Outflows of Resources	**10,552**
Total Collection Assets and Deferred Outflows	$ **67,588**

Continued

See accompanying independent auditor's report.

Waste Collection System

Supplemental Schedule of Net Position

	September 30, 2018 *(In thousands)*
Liabilities	
CURRENT LIABILITIES	
Payable from Unrestricted Assets	
Accounts payable and accrued expenses	$ 4,352
Due to other County funds	143,067
Due to other governements	195
Compensated absences	2,564
Other current liabilities	453
Total Payable from Unrestricted Assets	150,631
Payable from Restricted Assets	
Accrued interest payable	193
Capital lease obligation	2,980
Total Payable from Restricted Assets	3,173
Total Current Liabilities	153,804
Long-Term Liabilities	
Capital lease obligation	22,683
Compensated absences	9,217
Due to other County funds	12,335
Pensions and Health Insurance Subsidy Program	26,924
Postemployment benefits	10,213
Total Long-Term Liabilities	81,372
Total Collection Liabilities	235,176
Deferred Inflows of Resources	
Pensions	1,954
Retiree Health Insurance Subsidy Program	674
Postemployment benefits	532
Total Deferred Inflows of Resources	3,160
Total Collection Liabilities and Deferred Inflows	238,336
Total Net Position	**$ (170,748)**

Due to other County funds balance (current $142,391 after interest and long term $12,335) will be eliminated in the combined Statement of Net Position presentation.

See accompanying independent auditor's report.

Waste Collection System

Supplemental Schedule of Revenues, Expenses and Changes in Fund Net Position

		For the Fiscal Year Ended September 30, 2018
		(In thousands)
Operating Revenues		
Solid waste collection services	$	157,373
Other operating revenues		1,252
Total Collection Operating Revenues		158,625
Operating Expenses		
Garbage collection		45,964
Trash collection		21,067
Recycling		9,210
Litter control		874
Enforcement and environmental compliance		3,424
General and administrative		16,042
Subtotal		96,581
Depreciation		6,562
Total Collection Operating Expenses		103,143
Collection Operating Income		55,482
Non-Operating Revenues (Expenses)		
Interest income		258
Interest expense		(1,260)
Other income (expense), net:		
Hurricane related expenses		(139,022)
Other		159
Total Collection Non-Operating Expense, Net		(139,865)
Change in Net Position Before Elimination		(84,383)
Elimination*		(54,722)
Change in Net Position After Elimination	$	(139,105)

* Impact to Net Position by the elimination of tipping fees (in Garbage Collection, Trash Collection and Litter Control expenses above) paid to the Disposal System.

Interest expense in the amount of $1,015 will be eliminated in the combined Statement of Net Position presentation.

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 Position and Schedule of Net Position (Unaudited)

Last Ten Years (In thousands)

OPERATING REVENUE	FY 2009	FY 2010	FY 2011
Tipping Fees	$59,521	$56,577	$55,659
Medley Surcharge	596	525	638
Electrical Revenue	27,911	26,461	31,469
Utility Service Fee	19,559	20,650	22,500
Disposal Facility Fee	12,026	11,634	10,789
Collections Revenue	142,090	149,900	142,305
Other Operating Revenue	3,425	3,385	3,584
Total Operating Revenues	265,128	269,132	266,944
OPERATING & MAINTENANCE EXPENSES			
Landfill Operations	16,438	19,420	14,029
Transfer Operations	26,395	19,006	20,142
Waste-to-Energy	81,002	65,444	79,873
Garbage Collections	37,734	36,141	38,361
Trash Collections	16,834	21,912	22,986
Recycling	16,250	8,570	9,060
Other Operating	37,086	41,823	35,748
Subtotal	231,739	212,316	220,199
Operating Income Before Depreciation & Other	33,389	56,816	46,745
Depreciation	32,487	29,567	26,682
Closure and Postclosure Costs (Recovery) for Inactive Landfills	(7,211)	45	1,975
Operating Income	8,113	27,204	18,088
NON-OPERATING REVENUE (EXPENSE)			
Interest Income (4)	4,820	1,504	139
Interest Expense	(9,348)	(8,381)	(9,254)
Operating Grants	-	-	-
Other (1)	(5,627)	(2,307)	(267)
Non-Operating Income (Expense), Net	(10,155)	(9,184)	(9,382)
Income (Loss) Before Transfers & Capital Contributions	(2,042)	18,020	8,706
Transfers In (Out) (2)	2,239	-	(2,307)
CAPITAL CONTRIBUTIONS (3)	739	-	-
Changes in Fund Net Position	$936	$18,020	$6,399
NET POSITION			
Net investment in capital assets	$39,343	$60,846	$55,208
Restricted	114,755	84,136	84,099
Unrestricted (Deficit)	11,552	38,688	50,762
Total Net Position	$165,650	$183,670	$190,069

Source: Miami-Dade County's Department of Solid Waste Management

Notes:

(1) This amount 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; FY 2013 is $4.3 million; FY 2014 is $2.9 million; FY 2015 is $2.7 million; FY 2016 is $2.1 million; FY 2017 is $ 1.6 million; FY 2018 is $300 thousands.

(2) Transfers In are related to the gain for the sale of 58th ST Landfill to Miami-Dade Police Department in FY 2009. Transfers Out in FY 2011 represent $2.3 million to the Countywide Emergency Contingency Reserve.

See accompanying independent auditor's report.

FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
$56,963	$57,848	$63,375	$67,833	$64,659	$62,817	$72,263
786	910	967	1,208	1,826	1,782	2,434
30,703	31,453	14,079	9,864	7,311	8,907	10,043
21,692	22,490	24,290	27,807	30,784	32,857	18,924
10,535	11,029	11,505	13,195	12,650	12,866	14,276
141,983	135,376	143,703	143,446	146,934	148,273	157,373
3,495	3,750	3,478	4,017	3,975	3,945	3,877
266,157	262,856	261,397	267,370	268,139	271,447	279,190
17,383	18,086	21,664	22,701	22,136	23,685	30,290
21,024	20,733	22,784	22,552	21,875	22,946	29,136
80,264	80,874	63,465	60,880	58,674	58,986	60,348
38,963	39,607	41,151	40,503	39,231	43,092	45,964
22,653	22,701	25,002	25,483	26,042	28,695	21,067
9,283	9,338	9,361	9,786	8,900	8,882	9,210
33,515	40,523	35,071	36,295	44,602	49,260	46,447
223,085	231,862	218,498	218,200	221,460	235,546	242,462
43,072	30,994	42,899	49,170	46,679	35,901	36,728
22,991	19,469	19,003	16,703	14,942	12,874	11,492
(1,983)	192	(11,003)	(179)	(8,305)	940	217
22,064	11,333	34,899	32,646	40,042	22,087	25,019
(206)	(539)	752	865	701	1,362	3,408
(8,810)	(5,598)	(4,937)	(4,061)	(2,908)	(3,541)	(961)
-	-	-	-	-	-	-
(6,610)	(373)	(5,260)	(2,396)	(2,159)	(9,739)	(141,265)
(15,626)	(6,510)	(9,445)	(5,592)	(4,366)	(11,918)	(138,818)
6,438	4,823	25,454	27,054	35,676	10,169	(113,799)
-	-	-	-	-	-	-
-	4,184	737	2,013	294	574	3,542
$6,438	$9,007	$26,191	$29,067	$35,970	$10,743	($110,257)
$38,425	$57,900	$55,687	$78,336	$87,550	$93,727	$105,895
81,709	84,453	83,882	89,708	85,002	89,558	107,985
76,373	63,161	90,149	62,254	93,716	93,726	(66,109)
$196,507	$205,514	$229,718	$230,298	$266,268	$277,011	$147,771

(3) For FY 2008, FY 2009, FY 2013, FY 2014, FY 2015, FY 2016, FY 2017 and FY 2018 capital contributions consist of GOB reimbursement for construction of Cell 5. FY 2013 Hybrid Truck Grant for $1.5 million has been reclassified from Non-Operating Income (as reflected in FY 2013 presentation) to capital contributions in the FY 2014 presentation, which combined with GOB/Cell 5 of $2.7 million = $4.2 million.

(4) Interest Income figures presented in FY 2010 - FY 2014 are net of earnings or losses from SWAP activity.

Source: Miami-Dade County's Department of Solid Waste Management

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.

TABLE IIIA

Disposal System (Unaudited)

Tonnage

REVENUE TONS	FY 2009	FY 2010	FY 2011	FY 2012
Clean Yard Trash	17,036	13,165	11,368	9,261
Garbage	1,060,515	1,058,725	1,038,068	1,052,932
Trash (1)	493,571	473,275	445,178	442,723
Storm Related Waste	-	-	-	-
White Goods (7)	38	10	8	27
C & D	-	3	32	10
Whole Tires (2)	7,698	5,688	4,141	2,923
Special Waste (3)	2,814	2,110	1,584	1,358
Reduced Fee Cover Material	59,921	6,553	62,086	-
Non Profit Tonnage (9)	4,170	3,210	3,475	3,086
Total Revenue Tons	1,645,763	1,562,739	1,565,940	1,512,320
Closure debris from RR ashfill to ND	-	-	-	-
WM furniture to ND	-	-	-	-
Total Tons	1,645,763	1,562,739	1,565,940	1,512,320
Equivalent Revenue Tons (4)	1,593,673	1,555,679	1,512,414	1,509,234
NET DISPOSED TONS:				
South Dade Landfill	321,500	371,126	268,850	319,859
North Dade Landfill	172,498	185,632	121,087	137,483
Resources Recovery Net Incinerated	750,480	545,019	718,994	866,543
Resources Recovery Ashfill	160,349	151,992	188,732	135,630
Contract Disposal:				
To Waste Management	147,221	210,172	183,568	106,476
To Wheelabrator	-	-	-	-
Total Net Ton's Disposed	1,552,048	1,463,941	1,481,231	1,565,991

(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 $60.43 (FY 2009) - $61.01 (FY 2018) per ton.
(5) Resources Recovery initiated the Recyclable Trash Improvements facility May 1, 1997, which produces fuel pellets for cogeneration uses.
(6) This figure includes biomass and primary fines to North Dade.
(7) Represents White Goods delivered by customer directly to disposal site.
(8) While actual total Fines-Tonnage might be higher the max paid on O&M=20,000 tons / contract executed 7/27/2012.
(9) Includes all material types brought-in by Non-Profits.

See accompanying independent auditor's report.

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
7,926	9,978	11,427	10,627	13,024	14,739
1,049,649	1,106,235	1,120,854	1,091,352	1,094,340	1,065,015
448,180	501,340	542,244	550,474	535,060	555,229
-	-	-	-	26,088	227,235
-	-	-	-	-	-
1	3	2	-	-	-
4,430	4,171	4,680	5,192	5,820	6,295
1,507	1,270	1,241	1,404	1,095	1,018
67,734	24,538	7,416	-	-	-
2,859	3,220	3,506	4,216	10,850	11,069
1,582,286	1,650,755	1,691,370	1,663,265	1,686,277	1,880,600
-	-	-	-	-	-
-	-	-	-	-	-
1,582,286	1,650,755	1,691,370	1,663,265	1,686,277	1,880,600
1,522,335	1,626,781	1,681,566	1,659,049	1,675,427	1,869,531
286,324	376,421	389,056	364,653	361,078	488,796
85,851	131,823	178,492	199,740	221,577	290,594
708,530	831,692	845,547	816,033	782,668	727,772
167,224	164,573	163,515	153,818	146,114	146,745
242,124	219,172	249,666	252,809	261,409	374,259
-	-	-	-	-	-
1,490,053	1,723,681	1,826,276	1,787,053	1,772,846	2,028,166

See accompanying independent auditor's report.

TABLE IIIA

Disposal System (Unaudited)

Tonnage (continued)

	FY 2009	FY 2010	FY 2011	FY 2012
FACILITY RECYCLING				
Clean Yard Trash	-	-	-	-
Tires to Vendors	-	-	-	-
Metal to Vendors	22,934	17,638	19,806	22,058
White Goods to Vendor	38	10	8	-
RTI Biomass Fuel (5)/(6)	86,802	66,253	47,853	71,734
RTI Fines Recycling (8)	22,685	44,167	28,536	20,000
RTI On-Site Fines Recycling	-	-	-	-
Total Facility Recycling	132,459	128,068	96,203	113,792
RESOURCES RECOVERY PUT OR PAY	1,188,866	1,093,752	1,156,794	1,234,101
TRANSFER STATION				
Central	158,701	130,474	106,074	137,067
West	238,806	233,320	229,024	236,569
Northeast	196,375	189,486	185,697	171,230
Total Transfer Station	593,882	553,280	520,795	544,866
Non Contractual Diversion	551,101	523,987	537,684	534,468

(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 $60.43 (FY 2009) - $61.01 (FY 2018) per ton.
(5) Resources Recovery initiated the Recyclable Trash Improvements facility May 1, 1997, which produces fuel pellets for cogeneration uses.
(6) This figure includes biomass and primary fines to North Dade.
(7) Represents White Goods delivered by customer directly to disposal site.
(8) While actual total Fines-Tonnage might be higher the max paid on O&M=20,000 tons / contract executed 7/27/2012.
(9) Includes all material types brought-in by Non-Profits.

See accompanying independent auditor's report.

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
-	-	-	-	-	-
-	-	-	-	-	-
21,962	23,361	21,023	21,966	22,126	21,072
-	-	-	-	-	-
85,311	76,454	51,158	59,989	53,844	16,878
30,608	34,021	40,664	51,406	52,113	48,552
-	-	-	-	-	-
137,881	133,836	112,845	133,361	128,083	86,502
1,182,152	1,232,299	1,218,051	1,188,482	1,138,398	1,026,123
145,835	146,948	171,613	152,958	178,647	160,475
223,021	235,131	242,242	241,757	246,145	224,535
168,853	192,952	198,447	192,365	193,483	217,462
537,709	575,031	612,302	587,080	618,275	602,472
580,628	423,346	481,827	284,388	142,692	448,236

See accompanying independent auditor's report.

TABLE IIIB

Disposal System (Unaudited)

Revenue Tons Source

TONNAGE BY SOURCE	FY 2009	FY 2010	FY 2011	FY 2012
Municipalities:				
Bal Harbour Village (4)	4,229	4,227	4,396	1,546
Town of Bay Harbor Islands (4)	227	283	298	79
Village of Biscayne Park (4)/(6)	2,153	2,479	2,349	2,385
City of Coral Gables (4)	10,679	12,160	10,423	9,902
Florida City	-	-	-	-
Golden Beach	156	96	10	74
City of Hialeah (4)/(6)	77,395	76,244	70,835	67,293
Hialeah Gardens	947	401	12	134
City of Homestead (4)	46,166	46,155	43,325	44,356
City of Miami (4)	126,332	128,971	142,670	152,199
City of Miami Beach (4)	4,415	5,925	3,567	3,970
Village of Miami Shores (4)	11,413	11,919	11,124	6,789
City of Miami Springs (4)	4,010	4,544	4,325	3,906
City of North Bay Village (4)	4,509	4,531	4,402	4,680
City of North Miami (4)/(5)	23,800	21,980	22,158	9,167
City of North Miami Beach (4)	34,700	34,857	32,578	33,924
City of Opa-Locka (4)/(6)	883	1,175	1,152	1,449
City of South Miami (4)	9,547	7,711	6,801	9,661
Town of Surfside (4)	4,589	4,591	4,572	4,524
City of Sweetwater (4)/(5)	2,692	3,555	3,391	1,022
City of West Miami (4)	2,615	2,641	2,712	2,777
Total Municipalities	371,457	374,445	371,100	359,837

(1) Equivalent Revenue Tons figure reflects the tons necessary to generate the gross revenue received at $60.43 (FY 2009) - $61.01 (FY 2018) per ton.
(2) This tonnage represents landscaper activity at the landfills.
(3) Formally reported as BFI/WSI.
(4) Municipalities that entered into a long-term agreement.
(5) FY 2013 forward tonnage brought into the Disposal System under the account of the private hauler servicing the City.
(6) The Village of Biscayne Park, City of Hialeah and City of Opa-Locka did not renew the long term agreements starting on October 1, 2015.
(7) Includes all material types brought-in by Non-Profits.

See accompanying independent auditor's report.

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
191	144	124	69	53	38
57	59	45	4	-	446
2,462	2,462	19	-	4	2,361
9,646	9,797	11,616	14,277	15,245	19,131
-	-	-	-	-	-
36	22	40	60	270	63
69,430	72,281	74,218	55,272	22	14
89	76	46	31	34	72
45,359	48,379	50,001	57,548	60,688	76,579
143,117	142,088	147,147	143,170	148,506	189,121
3,594	3,110	3,990	4,068	3,614	3,025
5,049	5,012	4,824	4,614	4,654	4,633
3,645	3,692	3,633	3,793	3,845	5,738
4,642	4,578	4,789	4,794	4,641	4,983
-	-	-	-	-	10,444
34,640	36,289	37,505	9,906	-	5,212
931	1,519	1,571	621	784	352
10,120	10,318	10,627	10,961	9,981	11,245
4,452	4,693	4,847	4,912	5,164	6,746
-	-	-	-	-	1,335
2,738	2,909	2,940	2,986	3,207	2,926
340,198	347,428	357,982	317,086	260,712	344,464

See accompanying independent auditor's report.

TABLE III B

Disposal System (Unaudited)

Revenue Tons Source (continued)

TONNAGE BY SOURCE	FY 2009	FY 2010	FY 2011	FY 2012
Permitted Haulers				
Progressive Waste Solutions of Florida, Inc. DBA Waste Connections (3)	197,549	179,885	219,261	220,847
WMI	101,282	141,155	96,887	92,545
Other Permitted Haulers	153,332	110,972	108,308	121,434
Total Permitted Haulers	452,163	432,012	424,456	434,826
SW Collections	676,676	668,218	640,895	658,463
Permitted Landscapers (2)	17,003	13,150	11,368	9,261
SW County-wide Lot Clearing	-	-	-	-
Other Governmental	64,373	65,151	52,560	46,847
Subtotal Full Fee Revenue Tons	1,581,672	1,552,976	1,500,379	1,509,234
Reduced Fee Cover Material	59,921	6,553	62,086	-
Non Profit Tonnage (7)	4,170	3,210	3,475	3,086
Total Revenue Tons	1,645,763	1,562,739	1,565,940	1,512,320
Closure debris from RR ashfill to ND	-	-	-	-
WM furniture to ND (no fee)	-	-	-	-
Total Tons	1,645,763	1,562,739	1,565,940	1,512,320
Equivalent Revenue Tons (1)	1,593,673	1,555,679	1,512,414	1,509,234

(1) Equivalent Revenue Tons figure reflects the tons necessary to generate the gross revenue received at $60.43 (FY 2009) - $61.01 (FY 2018) per ton.
(2) This tonnage represents landscaper activity at the landfills.
(3) Formally reported as BFI/WSI.
(4) Municipalities that entered into a long-term agreement.
(5) FY 2013 foward tonnage brought into the Disposal System under the account of the private hauler servicing the City.
(6) The Village of Biscayne Park, City of Hialeah and City of Opa-Locka did not renew the long term agreements starting on October 1, 2015.
(7) Includes all material types brought-in by Non-Profits.

See accompanying independent auditor's report.

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
221,598	255,090	270,807	250,274	250,171	258,722
98,189	86,471	100,926	112,150	121,248	111,639
119,181	140,500	139,309	133,487	153,844	206,039
438,968	482,061	511,042	495,911	525,263	576,400
675,430	716,454	732,707	771,650	817,353	813,302
7,925	9,979	11,416	10,620	12,247	14,736
-	-	-	-	-	-
49,172	67,075	67,301	63,782	59,852	120,629
1,511,693	1,622,997	1,680,448	1,659,049	1,675,427	1,869,531
67,734	24,538	7,416	-	-	-
2,859	3,220	3,506	4,216	10,850	11,069
1,582,286	1,650,755	1,691,370	1,663,265	1,686,277	1,880,600
-	-	-	-	-	-
-	-	-	-	-	-
1,582,286	1,650,755	1,691,370	1,663,265	1,686,277	1,880,600
1,522,335	1,626,781	1,681,566	1,659,049	1,675,427	1,869,531

See accompanying independent auditor's report.

TABLE IV A

Collection System (Unaudited)

Tonnage by Type

	FY 2009	FY 2010		FY 2011		FY 2012
GARBAGE	442,814	451,647		445,410		455,247
TRASH						
Bulky Waste	67,457	72,331		73,840		72,474
Clean Yard Trash	-	-		-		-
Total Bulky Waste	67,457	72,331		73,840		72,474
ILLEGAL DUMPING						
Illegal Dumped Waste	1,980	442		381		2,024
Illegal Tires	185	-		-		256
Total Illegal Dumping	2,165	442		381		2,280
NEIGHBORHOOD TRASH & RECYCLING CENTERS						
Trash (Household)	143,840	137,822		115,232		114,681
Other Trash- Landscapers	12,279	100	(5)	-	(5)	8,750
Clean Yard Trash	-	-		-		-
Tires	994	781		943		574
Other Waste	323	-		724		107
Total Neighborhood T&R Center	157,436	138,703		116,899		124,112
GOVERNMENT ACCOUNTS						
Trash	5,358	4,010		3,692		3,461
Whole Tires	15	-		-		5
Total Trash Government Accounts	5,373	4,010		3,692		3,466
BI-WEEKLY YARD TRASH						
LOT CLEARING (CAT3)	-	-		-		-
SPECIAL CLEANUPS	-	-		-		-
OVERSIZED VEHICLES FR T&R CENTERS	223	-		-		301
SW LITTER PROGRAM	1,208	965		673		578
CHRISTMAS TREES	-	120		-		5
PERMITTED LANDSCAPERS (1)	-	-		-		-
TOTAL TRASH	233,862	216,571		195,485		203,216
TOTAL TRASH AND GARBAGE	676,676	668,218		640,895		658,463

(1) This tonnage figure is being reported on table 3B. This tonnage represents landscaper activity at the landfills.
(2) Starting in FY 2010, other paper includes mixed paper other than newspaper.
(3) Steel cans were not specifically listed by contractor in FY 2010.
(4) Starting in FY 2010, tonnage includes tons processed residue.

See accompanying independent auditor's report.

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
460,985	478,514	483,110	506,800	522,299	517,826
83,753	103,961	111,187	120,219	128,337	102,530
-	-	-	-	-	-
83,753	103,961	111,187	120,219	128,337	102,530
2,140	1,993	2,450	2,477	1,558	2,402
340	285	258	317	102	222
2,480	2,278	2,708	2,794	1,660	2,624
115,168	120,368	124,587	128,462	117,452	104,045
6,976	6,022	5,626	6,926	4,292	3,088
-	-	-	-	-	-
653	601	646	810	1,055	690
103	4	15	921	1,473	1,598
122,900	126,995	130,874	137,119	124,272	109,421
4,215	4,080	4,088	3,994	3,802	2,455
8	9	31	-	8	-
4,223	4,089	4,119	3,994	3,810	2,455
-	-	-	-	-	-
-	-	-	13	-	-
311	-	35	207	-	-
643	608	590	504	378	278
135	9	84	-	5	1
-	-	-	-	-	-
214,445	237,940	249,597	264,850	258,462	217,309
675,430	716,454	732,707	771,650	780,761	735,135

(5) 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.
(6) Excess Garbage represents garbage tonnage in excess of projected FY 2017 and FY 2018 tonnage, which the Department deemed not related to regular garbage operation but attributed to perishable goods & other waste disposed by customers in the garbage carts after the Storm.

See accompanying independent auditor's report.

TABLE IV A

Collection System (Unaudited)

Tonnage by Type (continued)

	FY 2009	FY 2010	FY 2011	FY 2012
STORM RELATED TONNAGE BY SW CREWS				
Excess Garbage (6)	-	-	-	-
Trash (curbside)	-	-	-	-
HURRICANE DEBRIS				
Roadway Clearance	-	-	-	-
Trash & Recycling Centers	-	-	-	-
Litter Program	-	-	-	-
Oversized Vehicles from T&R Centers	-	-	-	-
Government Accounts	-	-	-	-
STORM RELATED TONNAGE COLLECTED BY SW CREWS	-	-	-	-
TOTAL GARBAGE, TRASH & STORM RELATED TONNAGE (HURRICANE DEBRIS) COLLECTED BY SW CREWS	676,676	668,218	640,895	658,463
STORM RELATED TONNAGE BY CONTRACT HAULERS				
Stage Rejects	-	-	-	-
Stage Mulch	-	-	-	-
STORM RELATED TONNAGE COLLECTED BY CONTRACT HAULERS	-	-	-	-
TOTAL STORM RELATED TONNAGE (HURRICANE DEBRIS) COLLECTED BY SW CREWS AND CONTRACT HAULERS	-	-	-	-
GRAND TOTAL GARBAGE, TRASH & STORM RELATED TONNAGE (HURRICANE DEBRIS) COLLECTED BY SW CREWS & CONTRACT HAULERS	676,676	668,218	640,895	658,463
RECYCLABLES (T&R CENTERS)				
White Goods	3,228	2,071	1,432	916
TOTAL T&R RECYCLABLES	3,228	2,071	1,432	916
CURBSIDE RECYCLABLES				
Newspaper/Cardboard	34,945	30,134	33,829	34,844
Other Paper (2)	-	3,127	3,186	3,282
Glass Bottles	16,576	12,786	13,028	13,419
Aluminum	794	1,285	508	523
Plastic Bottles & Other Plastics	5,179	3,781	3,852	3,966
Steel Cans (3)	1,611	-	801	825
Septic & Gable Containers	601	3,067	-	-
Other (4)	-	6,118	5,964	6,141
TOTAL CURBSIDE RECYCLABLES	59,706	60,298	61,168	63,000

(1) This tonnage figure is being reported on table 3B. This tonnage represents landscaper activity at the landfills.
(2) Starting in FY 2010, other paper includes mixed paper other than newspaper.
(3) Steel cans were not specifically listed by contractor in FY 2010.
(4) Starting in FY 2010, tonnage includes tons processed residue.

See accompanying independent auditor's report.

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
-	-	-	-	8,775	565
-	-	-	-	4,289	46,039
-	-	-	-	10,545	-
-	-	-	-	12,727	30,786
-	-	-	-	1	1
-	-	-	-	-	-
-	-	-	-	255	776
-	-	-	-	36,592	78,167
675,430	716,454	732,707	771,650	817,353	813,302
-	-	-	-	-	-
-	-	-	-	1,055	-
-	-	-	-	1,055	-
-	-	-	-	37,647	78,167
675,430	716,454	732,707	771,650	818,408	813,302
942	992	1,309	2,091	2,299	2,153
942	992	1,309	2,091	2,299	2,153
34,089	24,128	23,445	23,355	22,763	22,797
3,211	6,058	5,882	5,955	5,837	5,845
13,129	5,758	5,596	5,436	5,253	5,260
511	371	361	534	583	583
3,944	4,699	4,576	4,721	4,670	4,676
809	804	782	645	583	583
-	-	-	-	-	-
6,006	20,105	19,545	19,248	18,676	18,704
61,699	61,923	60,187	59,894	58,365	58,448

(5) 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.
(6) Excess Garbage represents garbage tonnage in excess of projected FY 2017 and FY 2018 tonnage, which the Department deemed not related to regular garbage operation but attributed to perishable goods & other waste disposed by customers in the garbage carts after the Storm.

See accompanying independent auditor's report.

TABLE IV B

Collection System (Unaudited)

Tonnage by Facility

	FY 2009	FY 2010	FY 2011	FY 2012
COLLECTIONS DISPOSAL				
Transfer Station				
Garbage (1)	290,870	289,605	290,138	285,589
Storm Related Tonnage	-	-	-	-
Trash	76,958	69,727	59,224	64,911
Total Transfer Station	367,828	359,332	349,362	350,500
South Dade Landfill				
Garbage (1)	120,726	124,568	125,979	130,592
Storm Related Tonnage	-	-	-	-
Trash	107,463	96,121	82,057	84,543
Clean Yard Trash	-	41	922	-
Total South Dade Landfill	228,189	220,730	208,958	215,135
North Dade Landfill				
Trash	40,822	38,612	36,942	37,799
Storm Related Tonnage	-	-	-	-
Clean Yard Trash	-	47	331	-
Total North Dade Landfill	40,822	38,659	37,273	37,799
Resource Recovery				
Garbage (1)	31,218	37,474	29,294	39,066
Storm Related Tonnage	-	-	-	-
Trash	8,619	11,997	15,954	15,963
Clean Yard Trash	-	26	55	-
Total Resource Recovery	39,837	49,497	45,303	55,029

Note: 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, 2013 fee: $63.65/$83.92 per ton, 2014 fee: $64.85/$85.51 per ton, 2015 fee: $66.34/$87.47 per ton, 2016 fee: $66.27/$87.38 per ton, 2017 fee: $66.79/$88.06 per ton. 2018 fee: $61.01/$89.38 per ton.

(1) Starting FY 2008 includes Bus Stops Tonnage.

(2) The City of Sweetwater separated from the Department's Collection System effective March 1, 2012.

(3) The eliminating figures herein include hurricane disposal costs elimination of approximately $1.7 million in FY 2017 and $5.1 million in FY 2018.

See accompanying independent auditor's report.

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
266,440	271,362	271,321	279,249	272,622	297,818
-	-	-	-	13,711	16,506
75,883	91,703	98,880	106,207	102,839	51,591
342,323	363,065	370,201	385,456	389,172	365,915
135,204	145,739	149,513	155,953	161,194	154,936
-	-	-	-	14,023	41,627
84,334	91,158	99,641	102,247	96,592	105,541
-	-	-	-	-	1
219,538	236,897	249,154	258,200	271,809	302,105
37,000	37,446	35,347	36,964	40,289	39,640
-	-	-	-	5,216	13,621
-	-	-	-	-	-
37,000	37,446	35,347	36,964	45,505	53,261
59,341	61,413	62,276	71,598	88,483	65,072
-	-	-	-	3,642	6,413
17,228	17,633	15,729	19,432	18,742	20,533
-	-	-	-	-	3
76,569	79,046	78,005	91,030	110,867	92,021

See accompanying independent auditor's report.

TABLE IV B

Collection System (Unaudited)

Tonnage by Facility (continued)

	FY 2009	FY 2010	FY 2011	FY 2012
Medley Landfill				
Garbage	-	-	-	-
Storm Related Tonnage	-	-	-	-
Trash	-	-	-	-
Total Medley Landfill	-	-	-	-
SUMMARY				
Collections Disposal				
Garbage (1)	442,814	451,647	445,410	455,247
Storm Related Tonnage	-	-	-	-
Trash	233,862	216,571	195,485	203,216
Clean Yard Trash	-	-	-	-
Total Collections Disposal	676,676	668,218	640,895	658,463
DISPOSAL FEE SUMMARY				
GARBAGE DIVISION	$30,404,367	$30,403,199	$30,301,477	$32,014,175
TRASH DIVISION	$14,953,209	$13,812,946	$12,532,962	$13,547,338
Total Collections	$45,357,576	$44,216,145	$42,834,439	$45,561,513
Sweetwater Tonnage & Disposal Fee Summary (2)				
Disposal Fee (Trash Division)	$190,814	$254,489	$244,908	$76,903
Total Disposal Fees paid by Collection	$45,548,390	$44,470,634	$43,079,347	$45,638,416

Note: 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, 2013 fee: $63.65/$83.92 per ton, 2014 fee: $64.85/$85.51 per ton, 2015 fee: $66.34/$87.47 per ton, 2016 fee: $66.27/$87.38 per ton, 2017 fee: $66.79/$88.06 per ton. 2018 fee: $61.01/$89.38 per ton.

(1) Starting FY 2008 includes Bus Stops Tonnage.

(2) The City of Sweetwater separated from the Department's Collection System effective March 1, 2012.

(3) The eliminating figures herein include hurricane disposal costs elimination of approximately $1.7 million in FY 2017 and $5.1 million in FY 2018.

See accompanying independent auditor's report.

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
460,985	478,514	483,110	506,800	522,299	517,826
-	-	-	-	36,592	78,167
214,445	237,940	249,597	264,850	258,462	217,309
-	-	-	-	-	-
675,430	716,454	732,707	771,650	817,353	813,302
$32,679,334	$34,488,313	$35,595,559	$37,229,064	$39,137,874	$35,599,139
$14,635,132	$16,594,724	$17,871,468	$18,967,665	$20,625,803	$19,123,309
$47,314,466	$51,083,037	$53,467,207	$56,196,729	$59,763,677	$54,722,448
-	-	-	-	-	-
$47,314,466	$51,083,037	$53,467,207	$56,196,729	$59,763,677 (3)	$54,722,448 (3)

See accompanying independent auditor's report.

TABLE V

Collection System (Unaudited)

Customer Statistics

	FY 2009	FY 2010	FY 2011	FY 2012	
HOUSEHOLDS (3):					
Units as of October 1st	323,128	323,812	324,521	324,866	
Units as of September 30th	323,812	324,521	324,866	323,456	
Billed by Tax	323,403	324,072	324,332	322,827	
Billed October 1st	125	174	228	307	
Net Growth	684	709	345	(1,410)	(6)
Average Annual Number of Units	323,471	324,092	324,768	324,040	
HOUSEHOLD/COMMERCIAL (4):					
Units as of October 1	3,735	3,775	3,775	3,722	
Billed by Tax	2,898	2,954	2,974	2,750	
Billed During the Year	877	861	609	593	
Average Annual Number of Units	3,782	3,800	3,585	3,731	
CITY OF MIAMI HUD					
Households (3)	104	104	64	23	
Household/Commercial (4)/(5)	857	857	610	576	
COMMERCIAL:					
Units as of October 1	970	1,014	1,014	1,048	
Average Annual Units	992	1,004	1,021	1,049	
Rollaway (Dumpsters) (2)	28	28	22	27	
RECYCLING:					
Outside Department Service Area - Households (8)	2,417	1,905	1,847	1,828	
Participating Municipalities Households (2)	20,824	19,608	26,908	28,031	
LANDSCAPE PERMITS					
Permits	532	329	337	328	
Trucks	727	482	420	356	
Fee Per Unit (Collection's Service) Fee (Including Recycling)	$439	$439	$439	$439	
Waste Collected by Department as % of Total Tipped (1)	42.46%	42.95%	42.38%	43.63%	

(1) Total equivalent revenue tons used.
(2) Represents average for the period from FY 2010 on.
(3) Households include residential dumpsters and City of Miami HUD households.
(4) Household/Commercial include City of Miami HUD Commercial.
(5) Reflects a reduction in the number of units serviced in FY 2011.
(6) Reflects the figures net of Sweetwater separation from Collection System effective March 1, 2012.
(7) FY 2014 Recycling units= 322,405; FY 2015 Recycling units= 324,444; FY 2016 Recycling units= 326,364;
FY 2017 Recycling units= 330,138; FY 2018 Recyling units= 333,263.
(8) FY 2015 forward the number of households is based on the average number of households.

See accompanying independent auditor's report.

	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	323,456	325,324	327,369	329,583	331,630	336,681
	325,324	327,369	329,583	331,630	336,681	338,596
	324,591	326,642	328,882	330,844	336,005	337,878
	455	387	398	427	358	310
	1,868	2,045	2,214	2,047	5,051	1,915
	324,384	326,396 (7)	328,549 (7)	330,591 (7)	334,479 (7)	337,753 (7)
	3,656	3,469	3,513	3,551	3,740	3,721
	2,774	2,805	2,836	2,850	2,853	2,896
	580	557	564	557	560	553
	3,659	3,490	3,528	3,612	3,731	3,755
	0	75	75	75	75	75
	575	553	553	553	553	553
	1,047	1,049	1,063	1,069	1,056	1,056
	1,043	1,046	1,061	1,052	1,060	1,079
	30	26	27	17	15	24
	1,805	1,766	1,764	1,756	1,730	1,641
	27,891	27,811	27,811	20,991	17,209	17,031
	308	269	274	256	246	189
	307	375	302	317	386	269
	$439	$439	$439	$439	$439	$464
	44.37%	44.04%	43.57%	46.51%	48.78%	43.50%

See accompanying independent auditor's report.

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See accompanying independent auditor's report.

TABLE VI

Revenue by Type (Unaudited)

TYPE	DESCRIPTION	FY 2016	FY 2017	FY 2018
			(In thousands)	
Collections Revenue	Received for curbside collection of garbage and trash. Customers as household units at September 30, 2018, 2017 and 2016 were 338,596, 336,681, and 331,630, respectively. DSWM 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. DSWM 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). DSWM 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. The City of Opa Locka joined the Waste Collection System on February 6, 2017.	$ 146,934	148,273	157,373
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 $61.01, $66.79, and $66.27 per ton during fiscal years 2018, 2017 and 2016, respectively. These fees are subject to annual increases/decreases based on Consumer Price Index (CPI). There were 18 cities with interlocal agreements (see Table IIIB) as of September 30, 2018. For the period starting October 1, 2015, 3 municipalities did not renew the long term agreements. Private haulers with long term contracts for disposal also received the $61.01 tipping fee per ton; at September 30, 2018, 26 private haulers were receiving the lower fee. County agencies also received the $61.01 tipping fee. For waste delivered to one of the County's regional transfer stations the additional charge was $13.33 per ton during fiscal year 2018. The non-contractual rate was $89.38 per ton during fiscal year 2018.	64,659	62,817	72,263
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.	1,826	1,782	2,434
Electrical Revenue	The Department receives electrical revenue from the sale of electricity produced at the Resources Recovery waste-to-energy facility.	7,311	8,907	10,043
Utility Service Fee	Revenues directed to the DSWM based on 4% out of the 8% surcharge on water and waste water bills countywide (starting in fiscal year 2018 the percentage distributed to DSWM was reduced a 2%). By code limited to closure, postclosure care and other groundwater protection programs.	30,784	32,857	18,924
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 2016, 2017 and 2018. The fee is used to ensure capacity in operations.	12,650	12,866	14,276
Other Operating Revenue	Includes office rental income, parking facilities revenue, code enforcement fines, permit fees and other miscellaneous income.	3,975	3,945	3,877
Total		$ 268,139	271,447	279,190

See accompanying independent auditor's report.

TABLE VII

Resources Recovery (Unaudited)

Electrical Revenues

	FY 2009	FY 2010	FY 2011	FY 2012
Total Electrical Revenue	$27,911,369	$26,460,826	$31,469,008	$30,703,074
Deducted Expenses:				
Electricity Costs	$258,561	$282,340	$253,100	$255,176
Other Related Costs	$1,557,901	$1,600,684	$1,950,010	$1,751,902 (1)
Net Miami-Dade County Revenue	$13,176,734	$12,430,071	$14,759,500	$14,475,585
Net Covanta Dade Renewable Energy, LLC (formerly Montenay Power) Revenue	$12,918,173	$12,147,731	$14,506,398	$14,220,411
KWH Produced/Sold (Rounded)	304,098,000	276,123,000	339,009,000	332,019,000

(1) Excludes approximately $143,400 in settlement of Transmission Charges.
(2) Figure revised in 2018 CAFR to exclude 60,000,000 in Homestead's Energy Capacity.

See accompanying independent auditor's report.

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
$31,453,171	$14,079,050	$9,864,088	$7,311,020	$8,907,278	$10,042,758
$283,759	$321,050	$267,302	$249,343	$268,994	$265,914
$1,734,552	$367,337	$106,759	$224,523	$332,409	$376,138
$14,859,310	$6,855,856	$4,878,664	$3,543,248	$4,287,434	$4,833,310
$14,575,550	$6,534,807	$4,611,363	$3,293,906	$4,018,441	$4,567,396
315,785,000	290,433,000	359,295,000	341,886,000	342,385,000 (2)	322,171,000

See accompanying independent auditor's report.

TABLE VIII

Home Chemical Collection Program (Unaudited)

	FY 2009	FY 2010	FY 2011	FY 2012
PARTICIPANTS				
Florida International University - North	-	-	-	-
Miami Dade Community College - South	-	-	-	-
South Dade Government Center	-	-	-	-
Homestead	-	-	-	-
Miami Gardens	-	19	-	-
Permanent Center	3,864	4,175	3,755	3,809
Total Participants	3,864	4,194	3,755	3,809
POUNDS COLLECTED				
Florida International University - North	-	-	-	-
Miami Dade Community College - South	-	-	-	-
South Dade Government Center	-	-	-	-
Homestead	-	-	-	-
Miami Gardens	-	2,491	-	-
Permanent Center **	323,708	364,724	349,732	378,062
Total Pounds Collected (2)	323,708	367,215	349,732	378,062
TOTAL VENDOR DISPOSAL COST				
Florida International University - North	-	-	-	-
Miami Dade Community College - South	-	-	-	-
South Dade Government Center	-	-	-	-
Homestead	-	-	-	-
Miami Gardens	-	$10,168	-	-
Permanent Center	$160,932	$149,550	$123,780	$128,928
Total Cost	$160,932	$159,718 (4)	$123,780 (5)	$128,928 (6)
Average Cost Per Pound	$0.50	$0.43	$0.56	$0.34
Average Cost Per Participant	$42	$38	$33	$34

** Includes used oil dropped off at T&R Centers.
(1) Permanent Center includes used oil collection.
(2) Conversion for used oil is 8 pounds per gallon. The figure might include pounds of hazardous waste.
(3) This table excludes figures for latex paint and e-waste.
(4) FY 2010 Program earned $14,666 for sale of used oil making the net disposal cost $145,052.
(5) FY 2011 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.
(6) FY 2012 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.
(7) FY 2013 Program earned $18,764 for sale of used oil making the net disposal cost $151,204. The total sale of used oil per FAMIS in FY 2013 is $19,838.

See accompanying independent auditor's report.

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
3,758	4,292	5,097	5,429	6,223	5,942
3,758	4,292	5,097	5,429	6,223	5,942
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
367,408	343,020	379,285	408,915	495,743	461,619
367,408	343,020	379,285	408,915	495,743	461,619
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
$151,204	$180,437	$218,239	$208,694	$242,492	$218,239
$151,204 (7)	$180,437 (8)	$218,239 (9)	$208,694 (10)	$242,492 (11)	$216,550 (12)
$0.41	$0.53	$0.58	$0.51	$0.49	$0.47
$40	$42	$43	$38	$39	$36

(8) FY 2014 Program earned $1,428 for sale of used oil making the net disposal cost $180,437. The total sale of used oil per FAMIS in FY 2014 is $1,116.
(9) FY 2015 Program earned $1,566 for sale of used oil making the net disposal cost $218,239. The total sale of used oil per FAMIS in FY 2015 is $1,345.
(10) FY 2016 Program earned $1,450 for sale of used oil making the net disposal cost $208,694. The total sale of used oil per FAMIS in FY 2016 is $1,460.
(11) FY 2017 Program earned $1,446 for sale of used oil making the net disposal cost $242,492. The total sale of used oil per FAMIS in FY 2017 is $1,275.
(12) FY 2018 Program earned $1,531 for sale of used oil making the net disposal cost $215,019. The total sale of used oil per FAMIS in FY 2018 is $ 1,442.

See accompanying independent auditor's report.

TABLE IX

Demographic and Economic Indicators (Unaudited)

Selected years 2009-2018

	FY 2009	FY 2010	FY 2011	FY 2012
Population	2,531,769	2,563,885	2,516,515	2,551,255
Increase/(Decrease)	32,068	32,116	(47,370)	34,740
Annual percentage change	1.3%	1.3%	(1.8%)	1.4%
Personal Income (in $000's)	$90,915,774	$92,227,399	$96,657,710	$100,688,604
Per Capita Personal Income	$35,910	$35,972	$38,409	$39,466
Unemployment Rate	8.9%	12.0%	12.7%	9.7%

N/A - Information is not available as of the date of this report.

Source: U.S. Department of Commerce, Economics and Statistics Administration.
Bureau of Economic Analysis/Regional Economic Information System.
Florida Agency for Workforce Innovation, Labor Market Statistics.
Miami-Dade County Department of Regulatory and Economic Resources, Planning Research and Economic Analysis Section.
University of Florida, Bureau of Economics.

PRINCIPAL EMPLOYERS
Current Year and Period - Nine Years Prior

2018				2009 (1)			
Employer	Employees	Rank	Percentage of Total County Employment (2)	Employer	Employees	Rank	Percentage of Total County Employment (2)
Miami-Dade County Public Schools	N/A	-	-	Miami-Dade County Public Schools	38,819	1	3.18%
Miami-Dade County	N/A	-	-	Miami-Dade County	29,000	2	2.38%
U.S. Federal Government	N/A	-	-	U.S. Federal Government	19,900	3	1.63%
Baptist Health Systems of South Florida	N/A	-	-	Baptist Health Systems of South Florida	12,000	7	0.98%
Florida State Government	N/A	-	-	Florida State Government	16,100	4	1.32%
University of Miami	N/A	-	-	University of Miami	12,000	6	0.98%
Florida International University	N/A	-	-	Florida International University	8,000	10	0.66%
American Airlines	N/A	-	-	American Airlines	9,000	9	0.74%
Jackson Health System	N/A	-	-	Jackson Health System	12,468	5	1.02%
Miami Dade College	N/A	-	-	Miami Dade College	-	-	-
Publix Super Market	N/A	-	-	Publix Super Market	11,625	8	0.95%
	-		-		168,912		13.86%

N/A - Information is not available as of the date of this report.

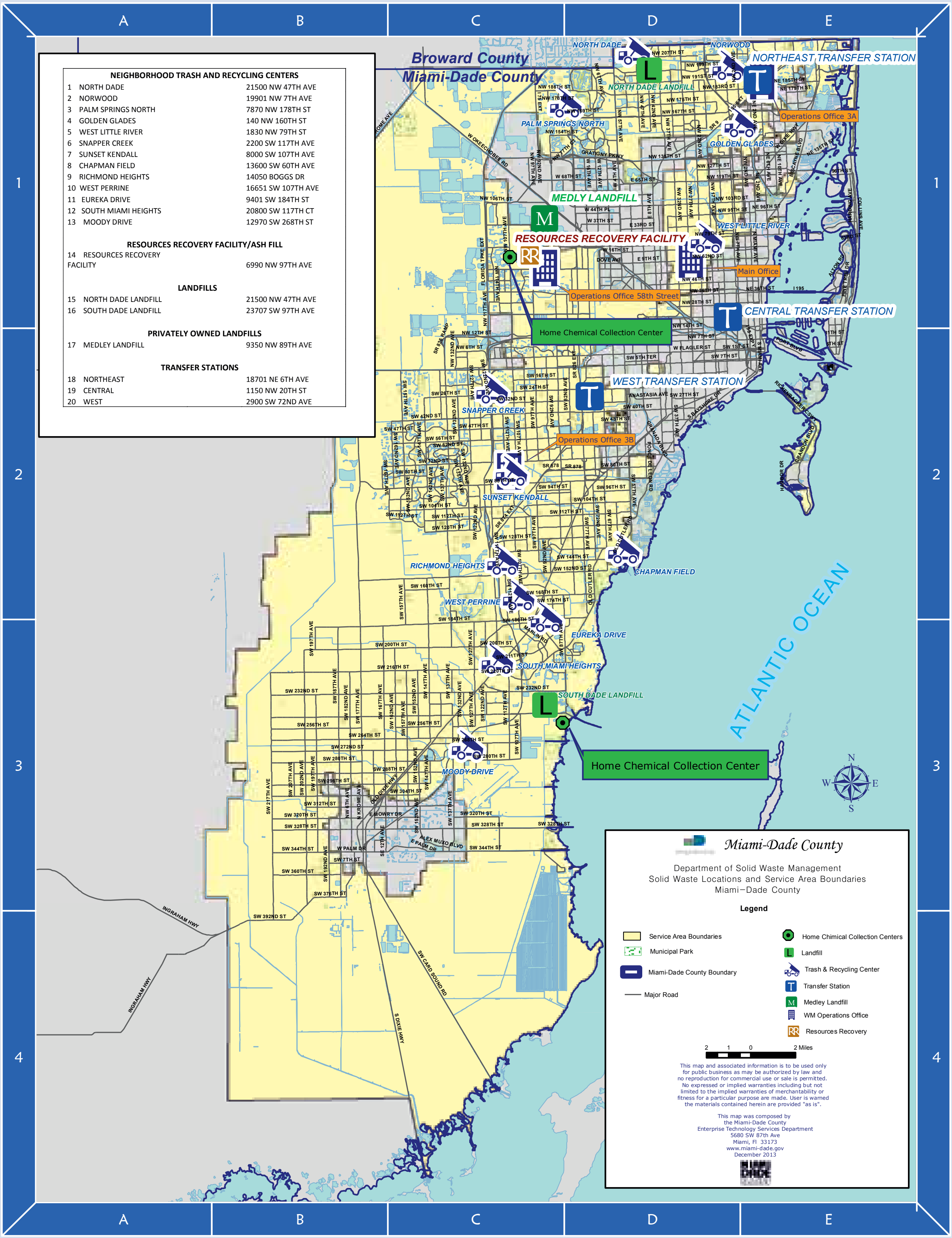
Source: (1) Miami-Dade County, Florida 2009 Comprehensive Annual Financial Report.
(2) Based on Civilian Labor Force for FY 2009 1,218,871 and FY 2018 1,363,766
(Source: Miami-Dade County, Florida 2018 Comprehensive Annual Financial Report).

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
2,582,228	2,586,290	2,653,934	2,696,353	2,743,095	2,779,322
30,973	4,062	67,644	42,419	46,742	36,227
1.2%	0.2%	2.6%	1.6%	1.7%	1.3%
$104,373,301	$111,528,866	$116,553,169	$123,276,064	$126,715,595	N/A
$40,420	$43,123	$43,917	$45,720	$46,194	N/A
8.9%	7.2%	6.2%	5.8%	5.0%	3.6%

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	08/19/18-8/19/19	Employees Dishonesty	$1,000,000
Accidental Death:			
Hartford Life Insurance Company	01/01/18-01/01/19	Accidental Death and Dismemberment	$ 25,000
Property Insurance:			
Various companies	04/15/18-04/15/19	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	$ 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	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 2009	FY 2010	FY 2011	FY 2012
FIRST TIER TEST				
Adjusted net operating revenues (1)/(3)	$36,526	$58,775	$47,748	$43,297
Debt service requirements (1a)/(2)	$20,098	$20,113	$18,749	$18,749
Actual Coverage (3)	1.82	2.92	2.55	2.31
Required coverage	1.20	1.20	1.20	1.20
Outstanding Debt Ratios:				
Refunding Bonds Balance, Net	$20,704	$10,800	$0	$0
Equivalent Revenue Tons	1,594	1,556	0	0
Outstanding Debt Ratio	13.0	6.9	0.0	0.0
Revenue Bonds Balance, Net	$160,225	$159,095	$157,902	$148,066
Equivalent Revenue Tons	1,594	1,556	1,512	1,509
Outstanding Debt Ratio	100.5	102.2	104.4	98.1
Capital Asset Acquisition Bonds, Net	$11,856	$9,246	$6,558	$3,738
House Hold Units	323	324	325	324
Outstanding Debt Ratio	36.7	28.5	20.2	11.5
Sunshine State Loans, Net	$7,698	$6,477	$5,228	$3,866
House Hold Units	323	324	325	324
Outstanding Debt Ratio	23.8	20.0	16.1	11.9
Equipment Lease/Purchase Agreement Collecton System				
House Hold Units				
Outstanding Debt Ratio				
Equipment Lease/Purchase Agreement Disposal System				
Equivalent Revenue Tons				
Outstanding Debt Ratio				
		(In full $s)		
Total Debt for the Waste Management Enterprise Fund in full dollars	$200,483,000	$185,618,000	$169,688,000	$155,670,000
Total Debt for the Waste Management Enterprise Fund in full dollars	$200,483,000	$185,618,000	$169,688,000	$155,670,000
Population of Miami-Dade County (4)	2,531,769	2,563,885	2,516,515	2,551,255
Outstanding Debt Ratio	79.2	72.4	67.4	61.0
Total Debt for the Waste Management Enterprise Fund in full dollars	$200,483,000	$185,618,000	$169,688,000	$155,670,000
Personal Income of Miami-Dade County (5)	$90,915,774	$92,227,399	$96,657,710	$100,688,604
Outstanding Debt Ratio	2.2	2.0	1.8	1.5

N/A - Information is not available as of the date of this report.

* 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) 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.

(2) The debt service requirement herein for FY 2007 through FY 2015 equals the amount reflected on Series 2005 OS (page 40) converted to the accrual basis.

See accompanying independent auditor's report.

FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
$30,734	$43,441	$49,768	$47,245	$37,057	$39,832
$18,756	$18,771	$18,784	$12,658	$15,804	$11,795
1.64	2.31	2.65	3.73	2.34	3.38
1.20	1.20	1.20	1.20	1.20	1.20
$0	$0	$0	$91,917	$81,679	$68,616
0	0	0	1,659	1,675	1,870
0.0	0.0	0.0	55.4	48.8	36.7
$134,283	$121,665	$108,455	$0	$0	$0
1,522	1,627	1,682	1,659	1,675	1,870
88.2	74.8	64.5	0.0	0.0	0.0
$826	$398	$197	$0	$0	$0
324	326	329	331	334	338
2.5	1.2	0.6	0.0	0.0	0.0
$2,667	$1,229	$260	$0	$0	$0
324	326	329	331	334	338
8.2	3.8	0.8	0.0	0.0	0.0
				$18,073	$25,663
				334	338
				54.1	75.9
				$7,664	$9,730
				1,675	1,870
				4.6	5.2
		(In full $s)			
$137,776,000	$123,292,000	$108,912,000	$91,917,000	$107,416,000	$104,009,000
$137,776,000	$123,292,000	$108,912,000	$91,917,000	$107,416,000	$104,009,000
2,582,228	2,586,290	2,653,934	2,696,353	2,743,095	2,779,322
53.4	47.7	41.0	34.1	39.2	37.4
$137,776,000	$123,292,000	$108,912,000	$91,917,000	$107,416,000	$104,009,000
$104,373,301	$111,528,866	$116,553,169	$123,276,064	$126,715,595	N/A
1.3	1.1	0.9	0.7	0.8	N/A

(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 for FY 2010 through 2014.

(4) Source: Miami-Dade Couny, Department of Regulatory and Economic Resources, Planning Research and Economic Analysis Section.

(5) Source: U.S. Department of Commerce, Economics and Statistics Administration, Bureau of Economic Analysis/ Regional Economic Information System.

(6) In FY 2014, deferred gains on refunding were reclassed to Deferred Inflows of Resources pursuant to GASB Statement No. 65.

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)		
	2016 FY 2017	2017 FY 2018	2018 FY 2019	FY 2016	FY 2017	FY 2018
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 (the “O&M Agreement”) by and between Miami-Dade County (the “County”) and Covanta Dade Renewable Energy, LLC (formerly Covanta Dade Renewable Energy Ltd); the terms of the O&M Agreement are effective as of October 1, 2009.						
Annual Recyclable Trash Guaranteed 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.	$48.84	$49.57	$50.91			
TPY in excess of 732,000 (732,001 tons - 966,000 tons).	$41.36	$41.98	$43.12			
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.	$33.76	$34.27	$35.20			
All other waste.	$30.17	$30.63	$31.46			
• Expenses recorded for Capital Tipping Fees, Oper. & Management Tipping Fees.				$53.4	$51.0	$48.4
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 2035, with 2 additional 5-year renewal options.						
• The County to deliver 250,000 tons per year.						
• Guaranteed capacity to the County up to 1.25 million tons per year (including alternate landfill #1 and alternate landfill #2).						
• Fees/rates per ton billed to the County:						
Medley Landfill	$34.40	$34.92	$35.87			
Alternate Landfill #1 (Monarch Hill Landfill)	$34.40	$34.92	$35.87			
Alternate Landfill #2 (Okeechobee County Landfill)	$30.20	$30.65	$31.48			
• WMI must deliver 100,000 tons to County facilities.						
• Expenses recorded				$8.6	$9.5	$11.8

See accompanying independent auditor’s report.

	Fees/Rates Effective October 1,			Expenses Recorded (in millions)		
	2016	2017	2018	FY 2016	FY 2017	FY 2018
	FY 2017	FY 2018	FY 2019			
Agreement with Progressive Waste Solutions of Florida, Inc. DBA Waste Connections (St. Cloud, Osceola County).						
• Ten year term contract which ends in 2025, with 2 additional 5-year renewal options.						
• Progressive Waste Solutions of Florida, Inc. must deliver 51% of the total solid waste they collect.						
• Guaranteed capacity to the County up to 500,000 tons per year.						
• Fees/rates per ton billed to the County:						
JED Landfill (1)	$20.16	$20.51	$21.10			
Agreement with Progressive Waste Solutions of Florida, Inc. DBA Waste Connections and World Waste Recycling, Inc.						
• On May 31, 2013, Waste Services of Florida, Inc. changed its name to Progressive Waste Solutions of Florida, Inc.						
• In March 2008, the County entered into agreements for curbside collection and hauling of recyclable items with Progressive Waste Solutions of Florida, Inc. formerly known as Waste Services of Florida, Inc. ("WSI") 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.						
• Fees/rates per household billed to the County. Fee increases limited to CPI.						
World Waste Recycling, Inc.						
Single stream service (Zone 1 & 2)	$2.07	$2.10	$2.16			
Single stream service (Miami Beach)	$2.95	$2.99	$3.07			
Manual Service	$3.03	$3.08	$3.16			
Progressive Waste Solutions of Florida, Inc.						
Single stream service (Zone 3)	$2.12	$2.15	$2.21			
• Expenses recorded (2)				$8.8	$8.8	$9.1

(1) Second Amended and Restated Agreement executed on September 30, 2015. Rate is subject to annual CPI adjustment.
(2) Expense figure reference Progressive and World Curbside Collection and it includes expense reference recycling residue to Waste Management Inc. ($283K in FY 2015, as revised in this FY 2016 presentation for FY 2015 and $52K expense in FY 2016).

TABLE XIV

Schedule of Major Disposal Delivery Agreements (Unaudited)

	Fees/Rates Effective October 1,		
	2016	2017	2018
	FY 2017	FY 2018	FY 2019
Interlocal (long-term disposal delivery) agreements with 18* municipalities in the County:			
* 15 of 18 original municipalities continue to have long term disposal inter-local agreements with the County for the period starting October 1, 2015.			

Renewed Beyond 2015	Term
Bal Harbor Village	2032
Town of Bay Harbor Islands	2035
City of Coral Gables	2035
City of Homestead	2025
City of Miami	2032
City of Miami Beach	2032
Village of Miami Shores	2035
City of Miami Springs	2025
City of North Bay Village	2025
City of North Miami	2033
City of North Miami Beach	2035
City of South Miami	2025
Town of Surfside	2035
City of Sweetwater	2032
City of West Miami	2025

	2016 FY 2017	2017 FY 2018	2018 FY 2019
• The County guarantees to meet level-of-service standard for disposal capacity (concurrency).			
• Municipalities agree to deliver all residential tonnage collected and to direct contracted/franchise haulers.			
• Tipping Fees/rates per ton:**	$66.79	$61.01	$62.67
Transfer Fees/rates per ton:	$13.13	$13.33	$13.69
Fee increases limited by CPI and change-in-law.			
Long-term contract to provide disposal services to Progressive Waste Solutions of Florida, Inc. DBA Waste Connections:			
• Ten year contract which ends in 2025, with two additional 5-year term renewal options.			
• Progressive Waste Solutions of Florida, Inc. must deliver 51% of the total solid waste they collect.			
• Hauler will deliver at least 50,000 tons of its commitment to County transfer stations at additional transfer fee per ton.			
• Tipping Fees/rates per ton:	$66.79	$61.01	$62.67
Transfer Fees/rates per ton:	$13.13	$13.33	$13.69
Fee increases limited by CPI and change-in-law.			

See accompanying independent auditor's report.

	Fees/Rates Effective October 1,		
	2016	**2017**	**2018**
	FY 2017	**FY 2018**	**FY 2019**
Long-term contract to provide disposal services to Waste Management:			
• 20-year term contract to 2035, with two 5-year mutual options to renew.			
• 100,000 tons per year delivery requirement (see Table 13 in this report).			
• Tipping Fees/rates per ton:	$66.79	$61.01	$62.67
Transfer Fees/rates per ton:	$13.13	$13.33	$13.69
Fee increases limited by CPI and change-in-law.			

** Non-contractual rate in October 1, 2016 $88.06; October 1, 2017 $89.38, October 1, 2018 $91.80.

TABLE XV

Operating Information (Unaudited)

Last Ten Years

	FY 2009	FY 2010	FY 2011
Number of Employees:			
Disposal System	318	265	257
Collection System	639	693	683 (1)
	957	958	940
Administration			
Total			
Operating Indicators:			
Disposal System:			
Equivalent Revenue Tons	1,593,673	1,555,679	1,512,414
Collection System:			
Residential:			
Average Annual Number of Units	323,471	324,092	324,768
Commercial Units:			
Household/Commercial Average Annual Number of Units	3,782	3,800	3,585
Commercial Average Annual Number of Units	992	1,004	1,021
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	4
Trash and Recycling Centers (T&R Centers)	13	13	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.
(4) Includes actual employees and a projection of 6 additional positions.
(5) Administration employees support Waste Management functions only.

	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018
	249	258	268	240	278	302	310
	583	583	553	503	569	536	538
	832 (2)	841 (2)	821 (2)	743 (2)	847 (2)	838 (2)	848 (2)
	121 (3)	100 (3)	104 (3)	91 (3)(4)	98 (5)	96 (5)	95 (5)
	953	941	925	834	945	934	943
	1,509,234	1,522,335	1,626,781	1,681,566	1,659,049	1,675,427	1,869,531
	324,040	324,384	326,396	328,549	330,591	334,479	337,753
	3,731	3,659	3,490	3,528	3,612	3,731	3,755
	1,049	1,043	1,046	1,061	1,052	1,060	1,079
	3	3	3	3	3	3	3
	3	3	3	3	3	3	3
	1	1	1	1	1	1	1
	4	4	4	4	4	4	4
	13	13	13	13	13	13	13

See accompanying independent auditor's report.

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