

**PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007**

revenues. Contingent rental income under such arrangements amounted to approximately \$5,876,000 in fiscal year 2007. All leases have been classified as operating leases.

Minimum future rentals under these operating leases are as follows:

<u>Year Ended September 30</u>	<u>Department of Airports</u>
2008	\$ 33,630,702
2009	20,705,043
2010	20,383,408
2011	20,397,253
2012	5,335,059
Thereafter	57,327,562
Total	<u>\$ 157,779,027</u>

A schedule of property held for lease by major classification is as follows:

	<u>September 30, 2007</u>
Buildings	\$ 203,851,020
Less: accumulated depreciation	<u>(100,951,950)</u>
Net Buildings	102,899,070
Land	<u>5,742,182</u>
Total property held for lease	<u>\$ 108,641,252</u>

Lease Obligations

The County has entered into various leases which are classified as operating or capital leases for accounting purposes. Total rent expense for operating leases for the fiscal year ended September 30, 2007 amounted to approximately \$4,102,495 comprised of \$3,734,638 for Governmental funds, \$161,945 for Enterprise Funds, and \$205,912 for Internal Service Funds.

PALM BEACH COUNTY, FLORIDA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

Operating Leases

Future minimum rental payments under noncancellable operating leases as of September 30, 2007 are as follows:

Fiscal Year	Governmental Funds	Enterprise Funds	Internal Service Funds
2008	\$ 3,488,302	\$ 125,437	\$ 182,640
2009	2,103,768	74,991	151,659
2010	1,258,566	28,707	63,822
2011	854,394	6,213	32,567
2012	299,691	-	-
Thereafter	1,174,052	-	-
Total	<u>\$ 9,178,773</u>	<u>\$ 235,348</u>	<u>\$ 430,688</u>

Capital Leases

Capital leases are those which are determined to have passed substantially all of the risks and benefits of ownership to the lessee. There were no Capital leases in the proprietary fund types. Future minimum lease payments under capital leases as of September 30, 2007 are as follows:

Fiscal Year	Governmental Funds
2008	\$ 4,584
2009	4,584
2010	3,438
Total minimum lease payments	<u>12,606</u>
Less: imputed interest	<u>(1,312)</u>
Present value of minimum lease payments	<u>\$ 11,294</u>

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NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2007

The following schedule shows the leased assets capitalized as of September 30, 2007, by major asset class:

	Governmental Funds
	Capital Assets
Equipment	\$ 18,958
Less: accumulated depreciation for entity wide	(9,734)
Carrying value	\$ 9,224

11. LANDFILL CLOSURE AND POSTCLOSURE CARE COSTS

The SWA operated one active landfill site for the year ended September 30, 2007. In addition, the SWA is responsible for two landfill sites closed after 1991 and three landfill sites closed prior to 1991.

State and Federal laws and regulations require the SWA to place a final cover on its operating landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at that and other landfill sites closed after 1991, for thirty years after closure. Although the majority of closure and postclosure care costs will be paid only near or after the date that the operating landfill stops accepting waste, the SWA reports a portion of these closure and postclosure care costs as an operating expense in each period based on landfill capacity used as of each statement of net assets date. The \$23,379,064 reported as landfill closure and postclosure care liability at September 30, 2007 represents the cumulative amount reported to that date based on the use of 32.6 percent of the estimated capacity of the operating landfill. The SWA will recognize the remaining estimated cost of closure and postclosure care of approximately \$57.8 million for the operating landfill as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2007. Based on current demographic information and engineering estimates of landfill consumption, the SWA expects to close the landfill in approximately 2021. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The SWA is required by state laws and regulations to make annual contributions to an escrow account to finance all closure costs and one year of postclosure care for landfills closed after 1991. The SWA is in compliance with these requirements, and, at September 30, 2007 assets of \$28,098,999 were held for these purposes. These amounts are reported as noncurrent restricted assets on the statement of net assets. The SWA expects that future inflation costs will be paid from interest earnings on these invested amounts and subsequent annual contributions. However, if interest earnings are inadequate or