

Deep South Regional Municipal Solid Waste Management Authority
Notes to Financial Statements
For the Years Ended June 30, 2020 and 2019

Note 3 – Accounts Receivable

Accounts receivable consists of royalty fees due to the Authority as specified in a royalty agreement with Veolia ES Evergreen Landfill, Inc. As of November 21, 2012, Advance Disposal Services, Inc. operates the Veolia ES Evergreen Landfill, Inc. and is honoring the agreement.

Note 4 – Royalty Agreements

The Authority entered into a royalty agreement with Veolia ES Evergreen Landfill, Inc. (“Evergreen”), (owned and operated by Advance Disposal Services, Inc.) on May 15, 2002. From the date that the Evergreen Landfill first opened to the receipt of construction and demolition (C & D) waste for disposal until the date that the Evergreen Landfill first opened to the receipt of municipal solid waste (MSW) for disposal, the C & D royalty was required to be no less than \$25,000 for each year that the C & D royalty is in effect.

Effective upon opening to the receipt of MSW, Evergreen began paying the Authority a royalty on all MSW and special waste volumes disposed at the Evergreen Landfill (“MSW royalty”). The amount of the MSW royalty is (1) \$1.25 per ton or (2) 5.7% of the MSW disposal fee in effect for the Authority members at the Evergreen Landfill, whichever is greater.

Note 5 – Revenue Sharing

On August 19, 2009, the Authority adopted the “Revenue Sharing Disbursal Program” authorizing disbursement of 66.67% of the funds of the Authority on hand at July 31, 2009 to charter member governments. Thereafter, the Authority voted to disburse semi-annually 66.67% of gross royalties received. However, due to the COVID-19 pandemic, the second revenue sharing disbursement for the year ended June 30, 2020 was delayed and not made until in August 2020. The total amount that has been disbursed as of June 30, 2020 is \$3,089,644. The purpose of the “Revenue Sharing Disbursal Program” is to provide financial assistance to the charter members in sustaining and/or enhancing their existing solid waste management programs and activities. Revenue sharing payments have been made as follows:

	<u>Year Ended June 30</u>		<u>Cumulative</u>
	<u>Prior Years</u>	<u>2020</u>	<u>Total</u>
City of Valdosta	\$ 1,603,886	\$ 78,082	\$ 1,681,968
City of Nashville	233,267	17,581	250,848
City of Lakeland	45,000	2,500	47,500
Lowndes County	797,845	40,410	838,255
Berrien County	83,163	3,681	86,844
Echols County	53,463	4,675	58,138
Lanier County	<u>120,269</u>	<u>5,822</u>	<u>126,091</u>
 Total	 <u>\$ 2,936,893</u>	 <u>\$ 152,751</u>	 <u>\$ 3,089,644</u>