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Sent: Friday, March 29, 2019 6:39 PM
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Subject: 2018 Pasco County Landfill Closure and Long-Term Care Report
Attachments: Pasco County Landfill Closure and Long-Term Care Report - FY18.pdf

Attached please find the audited Pasco County Landfill Closure and Long-Term Care Report for FY18.

Best regards,

Manny Long
Finance Director

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Pasco County, Florida

**Independent Auditors' Report on
Solid Waste Disposal and Resource
Recovery System Fund
For the Year Ended September 30, 2018**



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INDEPENDENT AUDITORS' REPORT

To the Honorable County Commissioners
Pasco County, Florida

Report on the Schedule

We have audited the accompanying Schedule of Activity – Landfill Management Escrow and related notes (the Schedule) of Pasco County, Florida's (the "County") Solid Waste Disposal and Resource Recovery System Fund for the year ended September 30, 2018.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the financial reporting provisions of the Florida Department of Environmental Protection. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on the Schedule based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the schedule is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Schedule. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the schedule, 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 schedule 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 Schedule.

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 Schedule referred to above presents fairly, in all material respects, the balance of and activity in the Landfill Management Escrow of Pasco County, Florida's Sold Waste Disposal and Resource Recovery System Fund as of and for the year ended September 30, 2018, in accordance with the financial reporting provisions of the Florida Department of Environmental Protection.

Emphasis of Matter

As described in note 1 of the Schedule, the accompanying Schedule was prepared for the purpose of complying with Section 62-701.630(5)(c) of the Florida Administrative Code. The Schedule does not purport to, and does not, present fairly the financial position of Pasco County, Florida as of September 30, 2018 and the changes in its financial position or, where applicable, its cash flows for the year then ended, in conformity with U.S. generally accepted accounting principles.

Restriction of Use

This report is intended solely for the information and use of the Board of County Commissioners, management, and the State of Florida Department of Environmental Protection and is not intended to be and should not be used by anyone other than these specified parties.

Caru, Riggs & Ingram, L.L.C.

Tampa, Florida
March 29, 2019

**PASCO COUNTY, FLORIDA
SOLID WASTE DISPOSAL AND RESOURCE
RECOVERY SYSTEM FUND**

Schedule of Activity – Landfill Management Escrow

Year Ended September 30, 2018

Escrow Balance September 30, 2017	\$	46,667,434
Increase Adjustments (Deposits) on September 30, 2018		-
Interest		614,709
Decrease Adjustments (Withdrawals) on September 30, 2018		<u>(8,855,198)</u>
Balance September 30, 2018	\$	<u>38,426,945</u>

Amounts designated for Pasco County Landfills:

West Pasco Class III	\$	3,783,115
West Pasco Class I (SW-I, SW-II)		11,880,795
West Pasco Class I (AI, AII, AIII, AIV)		16,214,737
East Pasco		<u>6,548,298</u>
Total	\$	<u>38,426,945</u>

See accompanying notes to schedule of activity – Landfill management escrow

**PASCO COUNTY, FLORIDA
SOLID WASTE DISPOSAL AND RESOURCE
RECOVERY SYSTEM FUND**

Notes to Schedule of Activity
Landfill Management Escrow

Year ended September 30, 2018

(1) Reporting Entity

Pasco County, Florida (the County) is a political subdivision of the State of Florida. It is governed by an elected Board of County Commissioners (the Board), which is responsible for legislative and fiscal control of the County.

The Schedule of Activity – Landfill Management Escrow of the Pasco County, Florida, Solid Waste Disposal and Resource Recovery System Fund (the Schedule) is prepared and submitted to the State of Florida Department of Environmental Protection pursuant to Section 62-701.630(5)(c) of the Florida Administrative Code (the Code). The Schedule contains only the escrow balance required by the Code and is not intended to present the financial position or the results of operations of the County for the year ended September 30, 2018, in accordance with U.S. generally accepted accounting principles.

(2) Basis of Accounting

The Schedule is prepared using the accrual basis of accounting.

(3) Landfill Management Escrow

The County records the landfill management escrow as restricted cash in the Solid Waste Disposal and Resource Recovery System Fund to fund closing and long-term care costs of the West Pasco Class III, West Pasco Class I-SW-I and SW-II, West Pasco Class I – AI, AII, AIII, and AIV and East Pasco landfills. The escrow, which is part of the Board’s pooled cash, is calculated based on estimates made by a Registered Professional Engineer and is adjusted annually for inflation, utilizing factors provided by the Florida Department of Environmental Protection. Pooled cash, which includes escrow amounts, is on deposit with the Florida State Board of Administration, in accordance with the escrow agreement on file with the Florida Department of Environmental Protection.

At September 30, 2018, the escrow was based on the following estimates:

	West Pasco Class III	West Pasco Class I SW-I, SW-II	West Pasco Class I AI, AII AIII, AIV	East Pasco
Cost of Closure	\$ 2,981,867	\$ 5,478,519	\$ 10,921,327	\$ -
Estimated design life in months	790	370	457	-
Annual closing and long-term care costs	105,118	228,152	320,963	228,961
Date of landfill closure	Open	Open	Open	February 20, 2014

**PASCO COUNTY, FLORIDA
SOLID WASTE DISPOSAL AND RESOURCE
RECOVERY SYSTEM FUND**

Schedule of Activity – Landfill Management Escrow

Year Ended September 30, 2018

(4) Landfill Management Accrual

In addition to providing for the landfill management escrow, the County records an accrual for landfill liabilities as required by the Governmental Accounting Standards Board. The liability at September 30, 2018 includes the following:

	West Pasco Class III	West Pasco Class I SW-I, SW-II	West Pasco Class I AI, AII AIII, AIV	East Pasco	Total
For closure	\$ 1,671,482	\$ 4,801,724	\$ 7,833,876	\$ -	\$ 14,307,082
For long-term care	1,767,713	5,998,999	6,906,794	5,952,999	20,626,505
Total	<u>\$ 3,439,195</u>	<u>\$ 10,800,723</u>	<u>\$ 14,740,670</u>	<u>\$ 5,952,999</u>	<u>\$ 34,933,587</u>