



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

Schedule of Activity of Landfill Management Escrow  
(Landfill Closure and Long – Term Care Restricted Cash Account)

Year ended September 30, 2015

(With Independent Auditors' Report Thereon)



**KPMG LLP**  
Suite 1700  
100 North Tampa Street  
Tampa, FL 33602-5145

## **Independent Auditor's Report**

Distinguished Members of the Board of County Commissioners  
Pasco County, Florida:

We have audited the accompanying Schedule of Activity – Landfill Management Escrow (the Schedule) of Pasco County, Florida's Solid Waste Disposal and Resource Recovery System Fund (the Fund) as of and for the year ended September 30, 2015.

### ***Management's Responsibility for the Schedule***

Management is responsible for the preparation and fair presentation of the Schedule in accordance with U.S. generally accepted accounting principles; this includes 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.

### ***Auditor's 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 auditors' 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 landfill management escrow activity of Pasco County, Florida's Solid Waste Disposal and Resource Recovery System Fund as of and for the year ended September 30, 2015 in accordance with U.S. generally accepted accounting principles.



***Emphasis of Matter***

As described in note 1 to 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 positions of Pasco County, Florida as of September 30, 2015 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.

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

**KPMG LLP**

May 27, 2016  
Certified Public Accountants

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

Schedule of Activity – Landfill Management Escrow

Year ended September 30, 2015

<u>Description</u>	<u>West Pasco Class III</u>	<u>West Pasco Class I SW-I, SW-II</u>	<u>West Pasco Class I AI, AII AIII, AIV</u>	<u>East Pasco</u>	<u>Total</u>
Balance September 30, 2014	\$ 1,524,933	3,270,679	15,354,063	4,761,222	24,910,897
Cost adjustment	(26,157)	14,371	703,224	(105,234)	586,204
Interest	3,511	7,530	35,349	10,961	57,351
Balance September 30, 2015	<u>\$ 1,502,287</u>	<u>3,292,580</u>	<u>16,092,636</u>	<u>4,666,949</u>	<u>25,554,452</u>
Balance represents:					
For closure	\$ 1,502,287	2,595,678	16,092,636	—	20,190,601
For long-term care	—	696,902	—	4,666,949	5,363,851
Total	<u>\$ 1,502,287</u>	<u>3,292,580</u>	<u>16,092,636</u>	<u>4,666,949</u>	<u>25,554,452</u>
West Pasco Class I:					
Ash Cell I			\$ 3,218,527		
Ash Cell II			3,218,527		
Ash Cell III			3,218,527		
Ash Cell IV			<u>6,437,055</u>		
			<u>\$ 16,092,636</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, 2015

**(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 as of and for the year ended September 30, 2015, 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 closure and post-closure 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 and a SunTrust money market account.

At September 30, 2015, the escrow was based on the following estimates:

	<u>West Pasco Class III</u>	<u>West Pasco Class I SW-I, SW-II</u>	<u>West Pasco Class I AI, AII AIII, AIV</u>	<u>East Pasco</u>
Cost of Closure	\$ 2,775,317	2,595,678	16,868,956	—
Estimated design life in months	670	766	452	—
Annual post-closure costs	109,894	214,410	1,094,067	321,859
Date of landfill closure	Open	Open	Open	February 20, 2014

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Notes to Schedule of Activity – Landfill Management Escrow  
Year ended September 30, 2015

**(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 County's liability at September 30, 2015 includes the following:

	<u>West Pasco Class III</u>	<u>West Pasco Class I-SW-I, SW-II</u>	<u>West Pasco Class I-AI, AII, AIII, AIV</u>	<u>East Pasco</u>	<u>Total</u>
For closure	\$ 1,373,264	1,893,333	10,926,173	—	14,192,770
For long-term care	<u>1,631,309</u>	<u>4,691,827</u>	<u>21,259,099</u>	<u>9,333,899</u>	<u>36,916,134</u>
	<u>\$ 3,004,573</u>	<u>6,585,160</u>	<u>32,185,272</u>	<u>9,333,899</u>	<u>51,108,904</u>