

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

Agreed-Upon Procedures on
Full Cost Disclosure Report
September 30, 2017

**Independent Accountants' Report
on Applying Agreed-Upon Procedures**

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

We have performed the procedures enumerated below, which were agreed to by management of the Waste Management Enterprise Fund of the Department of Solid Waste Management (the Department) of Miami-Dade County, Florida, solely to assist management of the Department and the Florida Department of Environmental Protection in evaluating the Department's financial reporting requirements pursuant to Chapter 62-708, *Florida Administrative Code* for the year ended September 30, 2017, as reported in the accompanying *Full Cost Disclosure Reports*. The Department's management is responsible for the preparation and accuracy of the *Full Cost Disclosure Reports*. The sufficiency of these procedures is solely the responsibility of those parties specified in this report. Consequently, we make no representation regarding the sufficiency of the procedures enumerated below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures that we performed and our findings, if any, are summarized as follows (dollars are in thousands). We obtained all financial information and related schedules from the Department's Controller Office. Materiality, for the purpose of this report, has been determined to be one thousand dollars and 0.50%:

1. We compared the total cost of \$177,291 from the *Full Cost Disclosure Report* (see page 2 of the full cost report attached) to the sum of operating expenses of \$103,898, plus depreciation expense of \$5,812, plus interest expense of \$106, obtained from the Waste Collection System unaudited management prepared Schedule of Revenues, Expenses and Changes in Fund Net Position (see page 6 of the full cost report attached) for the year ended September 30, 2017, adjusted for the following amounts obtained from management's supporting schedules – plus disposal costs of \$59,764, plus issuance costs of \$39, plus hurricane related costs of \$7,672 and found them to be in agreement. No exceptions were noted.
2. We recomputed the "cost per unit serviced" to the *Full Cost Disclosure Report* (see page 2 of the full cost report attached) by dividing the respective Full Cost amount by the Units Serviced (number of households or commercial units, as applicable) as reported in the unaudited Statistical Tables V (Collection System – Customer Statistics) which is included in the Department's September 30, 2017 Comprehensive Annual Financial Report (CAFR). No exceptions were noted. We also recomputed the "cost per ton" to the *Full Cost Disclosure Report* (see page 2 of the full cost report attached) by dividing the respective Full Cost amount by the Tons (residential or commercial, as applicable) as reported in the unaudited Statistical Tables IV A (Collection System – Tonnage by Type) which is included in the Department's September 30, 2017 CAFR. No exceptions were noted.

3. We compared the respective amounts in the "Allocation of Support Costs" columns from the *Full Cost Summary With Allocations* report (see page 3 of the full cost report attached), to the corresponding amounts listed in the *Basis of Allocations for Full Cost Report* (see page 4 of the full cost report attached) and found them to be in agreement. No exceptions noted.
4. Using the *Basis of Allocations for Full Cost Report* (see page 4 of the full cost report attached), we recomputed the allocation amounts and related percentages listed for Garbage, Trash, Interest Expense, Depreciation and Department wide, by multiplying the respective amounts in each of the above category by their corresponding percentages (see page 4 of the full cost report attached). No exceptions were noted that exceeded the defined materiality.
5. We compared the number of units (number of households or commercial units, as applicable) and annual tons (residential or commercial, as applicable) which management obtained from the Department's information systems as reported in the *Workload Measures Report* (see page 5 of the full cost report attached), to unaudited Statistical Tables IV A and V (Collection System – Tonnage by Type and Collection System – Customer Statistics, respectively) which is included in the Department's September 30, 2017 CAFR, and found them to be in agreement. No exceptions were noted.
6. We inquired of the Department's Controller regarding the basis for allocating costs for the *Full Cost Disclosure Reports* and were informed that the methodology used is consistent with that of the prior year.

This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. We were not engaged to and did not conduct an examination or review, the objective of which would be the expression of an opinion or conclusion, respectively, on the amounts and calculations in the *Full Cost Disclosure Reports* of the Department for the fiscal year ended September 30, 2017. Accordingly, we do not express such an opinion or conclusion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Florida Department of Environmental Protection and management of the Miami-Dade County Department of Solid Waste Management, and is not intended to be, and should not be, used by anyone other than these specified parties.

RSM US LLP

Miami, Florida
September 28, 2018



WASTE MANAGEMENT ENTERPRISE FUND
AN ENTERPRISE FUND OF SOLID WASTE MANAGEMENT DEPARTMENT
A DEPARTMENT OF MIAMI-DADE COUNTY, FLORIDA
WASTE COLLECTION SYSTEM
FULL COST DISCLOSURE REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2017

RESIDENTIAL SERVICES		HOUSEHOLDS SERVED	FULL COST PER HOUSEHOLD
GARBAGE & TRASH CURBSIDE PROGRAM			
	COLLECTION	334,479	\$210
	DISPOSAL	334,479	\$138
TRASH & RECYCLING CENTERS (TRASH)			
	COLLECTION	334,479	\$34
	DISPOSAL	334,479	\$30
	TRC - TRANSPORTATION COST (1)	334,479	\$21
RECYCLING PROGRAMS		349,077	\$31
BULKY WASTE AND ILLEGAL DUMPING ENFORCEMENT		(2) 334,479	\$17
LITTER CONTROL		(3) 334,479	\$3
RESIDENTIAL COST FOR COMBINED SERVICE AREA			
	COLLECTION		\$244
	DISPOSAL		\$168
	TRC - TRANSPORTATION COST		\$21
	RECYCLING		\$31
	BULKY WASTE AND ILLEGAL DUMPING ENFORCEMENT		\$17
	LITTER CONTROL		\$3
	TOTAL		\$484
COMMERCIAL SERVICES			
		TOTAL TONS	FULL COST PER TON
GARBAGE & TRASH COLLECTION PROGRAM			
	GARBAGE COLLECTION	6,696	\$111
	GARBAGE DISPOSAL	6,696	\$192
	TRASH COLLECTION	3,810	\$281
	TRASH DISPOSAL	3,810	\$86
	TOTAL		\$670
OTHER PROGRAMS (4)			
FEMA			\$11,284,102

THE AVERAGE WASTE DISPOSED OF ON A PER HOUSEHOLD BASIS WAS DETERMINED TO BE 2.45 TONS.

(1) SINCE FISCAL YEAR 2010, THESE COSTS RESIDE IN THE COLLECTION FUND

(2) THIS PRESENTATION REFLECTS ALL BULKY WASTE ENFORCEMENT & ILLEGAL DUMPING ENFORCEMENT COSTS RESIDING IN THE COLLECTION FUND.

(3) SPECIFIC USER FEES TO COVER THE LITTER PROGRAM HAD NOT RESUMED AS OF FISCAL YEAR 2017. THEREFORE, THE DEPARTMENT DEEMS IT APPROPRIATE TO ALLOCATE THESE COSTS TO THE HOUSEHOLDS.

(4) COSTS AS OF 9/30/17 IN CONNECTION WITH HURRICANE IRMA AFTER ALLOCATING DEPARTMENT-WIDE COSTS, PRIOR TO RECEIPT OF ANY REIMBURSEMENT FROM FEMA.

Waste Management Enterprise Fund
An Enterprise Fund of Solid Waste Management Department
A Department of Miami-Dade County, Florida
Waste Collection System
Full Cost Disclosure Report
09/30/2017

	Full Cost (Final)	Units Served (# households or commercial units as applicable)	Cost Per Unit Serviced*	Tons (Residential or Commercial as applicable)	Cost Per Ton*
GARBAGE AND TRASH CURBSIDE PROGRAM					
GARBAGE COLLECTION	\$54,957,433	334,479	\$164	765,963	\$72
TRASH COLLECTION	\$15,517,914	334,479	\$46	765,963	\$20
COLLECTION TOTAL	<u>\$70,475,347</u>		<u>\$210</u>		<u>\$92</u>
GARBAGE DISPOSAL	\$37,853,642	334,479	\$113	765,963	\$49
TRASH DISPOSAL	\$8,207,365	334,479	\$25	765,963	\$11
DISPOSAL TOTAL	<u>\$46,061,007</u>		<u>\$138</u>		<u>\$60</u>
TRASH AND RECYCLING CENTERS (TRASH)					
COLLECTION	\$18,308,432	334,479	\$55 (1)	765,963	\$24
DISPOSAL	\$10,183,895	334,479	\$30	765,963	\$13
TRC TOTAL	<u>\$28,492,327</u>				
RECYCLING PROGRAMS					
	\$10,718,209	349,077	\$31	60,664	\$177
BULKY WASTE AND ILLEGAL DUMPING ENFORCEMENT	\$5,673,860	334,479	\$17	765,963	\$7
LITTER CONTROL	\$1,165,122	334,479	\$3	765,963	\$2
ILLEGAL DUMPING AND LITTER CONTROL TOTAL	<u>\$6,838,982</u>				
RESIDENTIAL COSTS FOR COMBINED SERVICE AREA					
COLLECTION	\$88,783,779	334,479	\$265 (2)	765,963	\$116
DISPOSAL	\$56,244,902	334,479	\$168	765,963	\$73
RECYCLING	\$10,718,209	349,077	\$31	60,664	\$177
BULKY WASTE AND ILLEGAL DUMPING ENFORCEMENT	\$5,673,860	334,479	\$17	765,963	\$7
LITTER CONTROL	\$1,165,122	334,479	\$3	765,963	\$2
TOTAL	<u>\$162,585,872</u>		<u>\$484</u>		<u>\$375</u>
COMMERCIAL GARBAGE AND TRASH COLLECTION PROGRAM					
GARBAGE COLLECTION	\$740,187			6,696	\$111
GARBAGE DISPOSAL	\$1,284,233			6,696	\$192
TRASH COLLECTION	\$1,069,475			3,810	\$281
TRASH DISPOSAL	\$327,257			3,810	\$86
COMMERCIAL TOTAL	<u>\$3,421,152</u>				<u>\$670</u>
OTHER PROGRAMS					
FEMA	<u>\$11,284,102</u>				
TOTAL COSTS	<u>\$177,291,126</u>				

* The Cost Per Unit Serviced and Cost Per Ton figures presented are rounded.

Footnotes:		
(1) Trash and Recycling Centers (Trash) Cost per unit serviced of \$55 is split as follows in the Full Cost Disclosure Report (P1):		
Collection	\$	34
TRC Transp. Cost	\$	21
	<u>\$</u>	<u>55</u>
(2) Herein includes \$21 in transportation cost (see 1 above)		

Waste Management Enterprise Fund
An Enterprise Fund of Solid Waste Management Department
A Department of Miami-Dade County, Florida
Waste Collection System
Full Cost Summary With Allocations
09/30/2017

-----Allocation of Support Costs-----							
	Preliminary	Garbage Allocation	Trash Allocation	Interest Allocation	Depreciation Allocation	Dptwide Allocation	Final
GARBAGE AND TRASH CURBSIDE PROGRAM							
GARBAGE COLLECTION	\$41,506,016	\$1,013,924	\$0	\$65,294	\$3,577,907	\$8,794,292	\$54,957,433
GARBAGE DISPOSAL	\$37,853,642	\$0	\$0	\$0	\$0	\$0	\$37,853,642
TRASH COLLECTION	\$11,500,615	\$0	\$673,090	\$14,824	\$812,284	\$2,517,101	\$15,517,914
TRASH DISPOSAL	\$8,207,365	\$0	\$0	\$0	\$0	\$0	\$8,207,365
TRASH AND RECYCLING CENTERS (TRASH)							
COLLECTION	\$13,568,214 (a)	\$0	\$794,092	\$17,488	\$958,303	\$2,970,335	\$18,308,432
DISPOSAL	\$10,183,895	\$0	\$0	\$0	\$0	\$0	\$10,183,895
RECYCLING PROGRAMS	\$8,881,931	\$0	\$0	\$0	\$0	\$1,836,278	\$10,718,209
BULKY WASTE AND ILLEGAL DUMPING ENFORCEMENT	\$4,205,233	\$0	\$246,059	\$5,419	\$297,065	\$920,084	\$5,673,860
FEMA	\$9,350,564	\$0	\$0	\$0	\$0	\$1,933,538	\$11,284,102
LITTER CONTROL	\$863,712	\$0	\$50,623	\$1,115	\$60,987	\$188,685	\$1,165,122
COMMERCIAL GARBAGE AND TRASH COLLECTION PROGRAM							
GARBAGE COLLECTION	\$559,274	\$13,147	\$0	\$880	\$48,228	\$118,658	\$740,187
GARBAGE DISPOSAL	\$1,284,233	\$0	\$0	\$0	\$0	\$0	\$1,284,233
TRASH COLLECTION	\$811,174	\$0	\$26,861	\$1,045	\$57,271	\$173,124	\$1,069,475
TRASH DISPOSAL	\$327,257	\$0	\$0	\$0	\$0	\$0	\$327,257
TOTAL DIRECT COSTS	<u>\$149,103,125</u>	<u>\$1,027,071</u>	<u>\$1,790,725</u>	<u>\$106,065</u>	<u>\$5,812,045</u>	<u>\$19,452,095</u>	<u>\$177,291,126</u>
ADMINISTRATIVE SUPPORT							
DEPTWIDE COSTS TO BE ALLOCATED	\$19,452,095	\$0	\$0	\$0	\$0	(\$19,452,095)	\$0
INTEREST COSTS TO BE ALLOCATED (b)	\$106,065	\$0	\$0	(\$106,065)	\$0	\$0	\$0
AMORTIZATION OF BOND PREMIUM TO BE ALLOCATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEPRECIATION TO BE ALLOCATED	\$5,812,045	\$0	\$0	\$0	(\$5,812,045)	\$0	\$0
GARBAGE ADMIN. DIVISION COSTS	\$1,027,071	(\$1,027,071)	\$0	\$0	\$0	\$0	\$0
TRASH ADMIN. DIVISION COSTS	\$1,790,725	\$0	(\$1,790,725)	\$0	\$0	\$0	\$0
CAPITAL COSTS TO BE ELIMINATED	\$4,911,781	\$0	\$0	\$0	\$0	\$0	\$4,911,781
CAPITAL COST Elimination	(\$4,911,781)	\$0	\$0	\$0	\$0	\$0	(\$4,911,781)
TOTAL COSTS	<u><u>\$177,291,126</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$177,291,126</u></u>

(a) In fiscal year 2017, includes T&R Transportation Cost.

(b) All interest expense was net of capitalized at FYE 2017.

Waste Management Enterprise Fund
An Enterprise Fund of Solid Waste Management Department
A Department of Miami-Dade County, Florida
Waste Collection System
Basis of Allocations for Full Cost Report
09/30/2017

1. Garbage Administration Division Costs: Administrative costs totaling: **\$1,027,071**
in the Garbage Division were allocated between residential and commercial garbage collection activities based on relative tonnage as follows:

	Tonnage	%	Allocation
Residential Garbage Collection	515,603	98.72%	\$1,013,924
Commercial Garbage Collection	6,696	1.28%	\$13,147
Total Garbage	522,299	100.00%	\$1,027,071

3. Interest Expense that totaled **\$106,065** was allocated **62.39%** to garbage collection and **37.61%** to trash collection based on the relative tonnages. The allocation within garbage and trash was based on the current year relative direct cost.

	Direct Cost	%	Allocation
Residential Garbage Collection	\$41,506,016	98.67%	65,294
Commercial Garbage Collection	\$559,274	1.33%	880
Total Garbage Direct Cost	\$42,065,290	100.00%	66,174
62.39%	Interest	=	66,174
	Direct Cost	%	Allocation
Residential Trash-Curbside, Other, TRC	\$30,137,774	97.38%	38,846
Commercial Trash Collection	\$811,174	2.62%	1,045
Total Trash Direct Cost	\$30,948,948	100.00%	39,891
37.61%	Interest	=	39,891

4. Depreciation totaling **\$5,812,045** was allocated **62.39%** to garbage collection and **37.61%** to trash collection based on the relative tonnages. The allocation within garbage and trash was based on the current year relative direct cost.

	Direct Cost	%	Allocation
Curbside Garbage Collection	\$41,506,016	98.67%	\$3,577,907
Commercial Garbage Collection	\$559,274	1.33%	\$48,228
Total Garbage Collection Direct Cost	\$42,065,290	100.00%	\$3,626,135
62.39%	Depreciation	=	\$3,626,135
	Direct Cost	%	Allocation
Residential Curbside Trash Collection	\$11,500,615	37.16%	\$812,284
Bulky Waste and Illegal Dumping Enforcement	\$4,205,233	13.59%	\$297,065
Litter Control	\$863,712	2.79%	\$60,987
Residential Trash-Curbside, Other, TRC Sub-Total	\$16,569,560	53.54%	\$1,170,336
T&R Center Trash Collection	\$12,213,701	43.84%	\$958,303
Commercial Trash Collection	\$288,197	2.62%	\$57,271
Total Trash Collection Direct Cost	\$29,071,458	100.00%	\$2,185,910
37.61%	Depreciation	=	\$2,185,910

2. Trash Administration Division Costs: Administrative costs for Trash Division totaling **\$1,790,725** were allocated between residential and commercial trash collection activities based on relative tonnage. Within residential, the costs are allocated to Bulky Waste & Illegal Dumping Enforcement and Litter Control. Lot Lot Clearing, Demolition, and Curbside trash are based on the relative direct cost of those activities.

Residential Tons	(a)	250,360	98.50%
Commercial Tons		3,810	1.50%
Total Tons		254,170	100.00%

(a) Including Illegal Dumping and Litter Control.

	Direct Cost		Allocation
Commercial Trash Collection	not applicable		\$26,861
Residential Trash-Curbside	11,500,615	38.16%	\$673,090
Residential Trash-TR Centers	13,568,214	45.02%	\$794,092
Bulky Waste and Illegal Dumping Enforcement	4,205,233	13.95%	\$246,059
Litter Control	863,712	2.87%	\$50,623
Lot Clearing (excluded-considered enf.)	0	0.00%	\$0
Demolition	0	0.00%	\$0
Total Residential Direct Cost	30,137,774	100.00%	\$1,790,725

5. Deptwide indirect cost totaling **\$19,452,095** were allocated to the activities listed below based on the relative direct cost of each activity. For this purpose the direct cost of the garbage and trash divisions includes the allocated costs from the garbage and trash administration units as shown.

	Direct Cost	%	Allocation
Curbside Garbage Collection	\$42,519,940 (1)	45.21%	\$8,794,292
Curbside Trash Collection	\$12,173,705 (1)	12.94%	\$2,517,101
T&R Center Trash Collection	\$14,362,306 (1)	15.27%	\$2,970,335
Recycling Programs	\$8,881,931	9.44%	\$1,836,278
Bulky Waste and Illegal Dumping Enforcement	\$4,451,292 (1)	4.73%	\$920,084
FEMA	\$9,350,564	9.94%	\$1,933,538
Litter Control	\$914,335 (1)	0.97%	\$188,685
Commercial Garbage Collection	\$572,421 (1)	0.61%	\$118,658
Commercial Trash Collection	\$838,035 (1)	0.89%	\$173,124
Lot Clearing	\$0	0.00%	\$0
Demolition	\$0	0.00%	\$0
	\$94,064,529	100.00%	\$19,452,095

(1) After Garbage/Trash Adm. Allocation to Residential and Commercial.

Waste Management Enterprise Fund
An Enterprise Fund of Solid Waste Management Department
A Department of Miami-Dade County, Florida
Workload Measures
09/30/2017

	Units	Tons Garbage	Tons Trash	Tons Recycling	Tons Total
Residential:					
Household units	330,138				
Residential dumpster units	4,266				
City of Miami Hud Units	75				
Sub-Total		515,603	248,322		763,925
Illegal Dumping:	-		1,660		1,660
Litter Control:	-		378		378
Total Residential	<u>334,479</u>	<u>515,603</u>	<u>250,360</u>	<u>-</u>	<u>765,963</u>
Commercial:					
Household/commercial units	3,178				
City of Miami Hud Units	1,060				
Sub-Total	<u>4,238</u>				
Commercial can units	553				
Commercial rollaway units	15				
Sub-Total	<u>568</u>				
Total Commercial	<u>4,806</u>	<u>6,696</u>	<u>3,810</u>	<u>-</u>	<u>10,506</u>
Sub-Total		522,299	254,170	-	776,469
Recycling:					
Units in collections service area	<u>330,138</u>				
Units outside service area	62				
Units inside service area w/o garbage service	<u>1,668</u>				
	<u>1,730</u>				
Municipal units	<u>17,209</u>				
Total Recycling	<u>349,077</u>	-	-	<u>60,664</u>	<u>60,664</u>
Total		522,299	254,170	60,664	837,133
Percentages:					
Residential:		61.59%	29.66%		
Illegal Dumping:		0.00%	0.20%		
Litter Control:		0.00%	0.05%		
Commercial:		0.80%	0.45%		
Recycling:		<u>0.00%</u>	<u>7.25%</u>		
Totals		62.39%	37.61%		

Waste Collection System

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

	For the Fiscal Years Ended September 30,	
	2017	2016
	(In thousands)	
Operating Revenues		
Solid waste collection services	\$ 148,273	\$ 146,934
Other operating revenues	1,250	1,307
Total Collection Operating Revenues	149,523	148,241
Operating Expenses		
Garbage collection	43,092	39,231
Trash collection	28,695	26,042
Recycling	8,882	8,900
Litter control	834	889
Enforcement and environmental compliance	3,992	3,745
General and administrative	18,403	16,246
Subtotal	103,898	95,053
Depreciation	5,812	6,744
Total Collection Operating Expenses	109,710	101,797
Collection Operating Income	39,813	46,444
Non-Operating Revenues (Expenses)		
Interest income	94	46
Interest expense	(106)	-
Other income (expense), net	(7,648)	237
Total Collection Non-Operating Revenues (Expenses), Net	(7,660)	283
Change in Net Position Before Elimination	32,153	46,727
Elimination*	(59,764)	(56,197)
Change in Net Position After Elimination	\$ (27,611)	\$ (9,470)

*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.

See accompanying independent auditor's report.



The undersigned, a duly authorized representative of Miami-Dade County, Florida, HEREBY CERTIFIES THAT:

The Miami-Dade County Department of Solid Waste Management Full Cost Disclosure Report, a copy of which is attached for the fiscal year ended September 30, 2017 does not, to the best of my knowledge, contain any untrue statements or calculations nor fails to present any material facts which should be included for the purpose of properly informing the public of the full cost of solid waste management services.

IN WITNESS THEREOF, I have hereunto set my hand and seal this 28 day of September, 2018.

A handwritten signature in blue ink, appearing to read "Edward Marquez", is written over a horizontal line.

Edward Marquez
Deputy Mayor/Finance Director
Miami-Dade County