

**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, 2019



RSM US LLP

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, 2019, 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 Assistant 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 \$166,110 from the *Full Cost Disclosure Report* (see page 2 of the full cost report attached) to the sum of operating expenses of \$100,682, plus depreciation expense of \$5,454, plus interest expense of \$3,859, plus disposal costs of \$56,113 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, 2019, adjusted for the following amounts obtained from management's supporting schedules – plus issuance costs of \$2, 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 Served (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, 2019 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, 2019 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, 2019 CAFR, and found them to be in agreement. No exceptions were noted.
6. We inquired of the Department's Assistant 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, 2019. 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
August 10, 2020



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, 2019

RESIDENTIAL SERVICES

	HOUSEHOLDS SERVED	FULL COST PER HOUSEHOLD
GARBAGE & TRASH CURBSIDE PROGRAM		
COLLECTION	339,531	\$231
DISPOSAL	339,531	\$129
TRASH & RECYCLING CENTERS (TRASH)		
COLLECTION	339,531	\$29
DISPOSAL	339,531	\$29
TRC - TRANSPORTATION COST	(1) 339,531	\$18
RECYCLING PROGRAMS		
	353,533	\$33
BULKY WASTE AND ILLEGAL DUMPING ENFORCEMENT		
	(2) 339,531	\$24
LITTER CONTROL		
	(3) 339,531	\$5
RESIDENTIAL COST FOR COMBINED SERVICE AREA		
COLLECTION		\$260
DISPOSAL		\$158
TRC - TRANSPORTATION COST		\$18
RECYCLING		\$33
BULKY WASTE AND ILLEGAL DUMPING ENFORCEMENT		\$24
LITTER CONTROL		\$5
TOTAL		\$498

COMMERCIAL SERVICES

	TOTAL TONS	FULL COST PER TON
GARBAGE & TRASH COLLECTION PROGRAM		
GARBAGE COLLECTION	6,471	\$113
GARBAGE DISPOSAL	6,471	\$143
TRASH COLLECTION	3,062	\$223
TRASH DISPOSAL	3,062	\$315
TOTAL		\$794

THE AVERAGE WASTE DISPOSED OF ON A PER HOUSEHOLD BASIS WAS DETERMINED TO BE 2.51 TONS.

(1) SINCE FISCAL YEAR 2018, THESE COSTS WERE TRANSFERRED TO THE DISPOSAL FUND. THE DEPARTMENT HAS DEEMED THAT THESE COSTS RELATE TO THE TRASH & RECYCLING CENTERS (TRCs) REGARDLESS OF THE FUND WHERE THESE COSTS RESIDE. THEREFORE, THESE COSTS HAVE BEEN ALLOCATED TO THE HOUSEHOLD UNIT COST IN THIS PRESENTATION.

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

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
 09/30/2019

	Full Cost (Final)	Units Serviced (# 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	\$58,263,909	339,531	\$172	798,457	\$73
TRASH COLLECTION	\$19,928,570	339,531	\$59	798,457	\$25
COLLECTION TOTAL	<u>\$78,192,479</u>		<u>\$231</u>		<u>\$98</u>
GARBAGE DISPOSAL	\$35,877,496	339,531	\$106	798,457	\$45
TRASH DISPOSAL	\$7,781,644	339,531	\$23	798,457	\$10
DISPOSAL TOTAL	<u>\$43,659,140</u>		<u>\$129</u>		<u>\$55</u>
TRASH AND RECYCLING CENTERS (TRASH)					
COLLECTION	\$9,705,676	339,531	\$29	798,457	\$12
DISPOSAL	\$9,758,831	339,531	\$29	798,457	\$12
TRC TOTAL	<u>\$19,464,507</u>				
RECYCLING PROGRAMS					
	\$11,723,640	353,533	\$33	60,311	\$194
BULKY WASTE AND ILLEGAL DUMPING ENFORCEMENT	\$8,212,928	339,531	\$24	798,457	\$10
LITTER CONTROL	\$1,554,826	339,531	\$5	798,457	\$2
ILLEGAL DUMPING AND LITTER CONTROL TOTAL	<u>\$9,767,754</u>				
RESIDENTIAL COSTS FOR COMBINED SERVICE AREA					
COLLECTION	\$87,898,155	339,531	\$260	798,457	\$110
DISPOSAL	\$53,417,971	339,531	\$158	798,457	\$67
RECYCLING	\$11,723,640	353,533	\$33	60,311	\$194
BULKY WASTE AND ILLEGAL DUMPING ENFORCEMENT	\$8,212,928	339,531	\$24	798,457	\$10
LITTER CONTROL	\$1,554,826	339,531	\$5	798,457	\$2
TOTAL	<u>\$162,807,520</u>		<u>\$480</u>		<u>\$383</u>
COMMERCIAL GARBAGE AND TRASH COLLECTION PROGRAM					
GARBAGE COLLECTION	\$730,633			6,471	\$113
GARBAGE DISPOSAL	\$923,891			6,471	\$143
TRASH COLLECTION	\$682,739			3,062	\$223
TRASH DISPOSAL	\$964,754			3,062	\$315
COMMERCIAL TOTAL	<u>\$3,302,017</u>				<u>\$794</u>
TOTAL COSTS	<u><u>\$166,109,537</u></u>				

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

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
09/30/2019

-----Allocation of Support Costs-----

	Preliminary	Garbage Allocation	Trash Allocation	Interest Allocation	Depreciation Allocation	Dptwide Allocation	Final
GARBAGE AND TRASH CURBSIDE PROGRAM							
GARBAGE COLLECTION	\$42,015,803	\$1,208,348	\$0	\$2,296,576	\$3,246,073	\$9,497,109	\$58,263,909
GARBAGE DISPOSAL	\$35,877,496	\$0	\$0	\$0	\$0	\$0	\$35,877,496
TRASH COLLECTION	\$14,198,784	\$0	\$632,525	\$762,252	\$1,077,290	\$3,257,719	\$19,928,570
TRASH DISPOSAL	\$7,781,644	\$0	\$0	\$0	\$0	\$0	\$7,781,644
TRASH AND RECYCLING CENTERS (TRASH)							
COLLECTION	\$6,914,904 (a)	\$0	\$308,008	\$371,180	\$524,772	\$1,586,812	\$9,705,676
DISPOSAL	\$9,758,831	\$0	\$0	\$0	\$0	\$0	\$9,758,831
RECYCLING PROGRAMS							
	\$9,612,156	\$0	\$0	\$0	\$0	\$2,111,484	\$11,723,640
BULKY WASTE AND ILLEGAL DUMPING ENFORCEMENT							
	\$5,850,659	\$0	\$260,613	\$314,063	\$443,921	\$1,343,672	\$8,212,928
FEMA							
	\$0	\$0	\$0	\$0	\$0	\$0	\$0
LITTER CONTROL							
	\$1,107,691	\$0	\$49,396	\$59,527	\$84,103	\$254,109	\$1,554,826
COMMERCIAL GARBAGE AND TRASH COLLECTION PROGRAM							
GARBAGE COLLECTION	\$527,041	\$15,172	\$0	\$28,835	\$40,757	\$118,828	\$730,633
GARBAGE DISPOSAL	\$923,891	\$0	\$0	\$0	\$0	\$0	\$923,891
TRASH COLLECTION	\$493,541	\$0	\$13,653	\$26,530	\$37,499	\$111,516	\$682,739
TRASH DISPOSAL	\$964,754	\$0	\$0	\$0	\$0	\$0	\$964,754
TOTAL DIRECT COSTS	<u>\$136,027,195</u>	<u>\$1,223,520</u>	<u>\$1,264,195</u>	<u>\$3,858,963</u>	<u>\$5,454,415</u>	<u>\$18,281,249</u>	<u>\$166,109,537</u>
ADMINISTRATIVE SUPPORT							
DEPTWIDE COSTS TO BE ALLOCATED	\$18,281,249	\$0	\$0	\$0	\$0	(\$18,281,249)	\$0
INTEREST COSTS TO BE ALLOCATED	\$3,858,963	\$0	\$0	(\$3,858,963)	\$0	\$0	\$0
AMORTIZATION OF BOND PREMIUM TO BE ALLOCATED	\$0	\$0	\$0	\$0	\$0	\$0	\$0
DEPRECIATION TO BE ALLOCATED	\$5,454,415	\$0	\$0	\$0	(\$5,454,415)	\$0	\$0
GARBAGE ADMIN. DIVISION COSTS	\$1,223,520	(\$1,223,520)	\$0	\$0	\$0	\$0	\$0
TRASH ADMIN. DIVISION COSTS	\$1,264,195	\$0	(\$1,264,195)	\$0	\$0	\$0	\$0
CAPITAL COSTS TO BE ELIMINATED	\$1,985,323	\$0	\$0	\$0	\$0	\$0	\$1,985,323
CAPITAL COST ELIMINATION	(\$1,985,323)	\$0	\$0	\$0	\$0	\$0	(\$1,985,323)
TOTAL COSTS	<u><u>\$166,109,537</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>\$166,109,537</u></u>

(a) In fiscal year 2019, T&R Transportation Cost resides in the disposal fund.

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
09/30/2019

1. Garbage Administration Division Costs: Administrative costs totaling: **\$1,223,520** in the Garbage Division were allocated between residential and commercial garbage collection activities based on relative tonnage as follows:

	Tonnage	%	Allocation
Residential Garbage Collection	516,769	98.76%	\$1,208,348
Commercial Garbage Collection	6,471	1.24%	\$15,172
Total Garbage	523,240	100.00%	\$1,223,520

3. Interest Expense that totaled (a) **\$3,858,963** was allocated **60.26%** to garbage collection and **39.74%** 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	\$42,015,803	98.76%	\$2,296,576
Commercial Garbage Collection	\$527,041	1.24%	\$28,835
Total Garbage Direct Cost	\$42,542,844	100.00%	\$2,325,411

60.26% Interest = **\$2,325,411**

	Direct Cost	%	Allocation
Residential Trash-Curbside, Other, TRC	\$28,072,038	98.27%	\$1,507,022
Commercial Trash Collection	\$493,541	1.73%	\$26,530
Total Trash Direct Cost	\$28,565,579	100.00%	\$1,533,552

39.74% Interest = **\$1,533,552**

4. Depreciation totaling **\$5,454,415** was allocated **60.26%** to garbage collection and **39.74%** 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	\$42,015,803	98.76%	\$3,246,073
Commercial Garbage Collection	\$527,041	1.24%	\$40,757
Total Garbage Collection Direct Cost	\$42,542,844	100.00%	\$3,286,830

60.26% Depreciation = **\$3,286,830**

	Direct Cost	%	Allocation
Residential Curbside Trash Collection	\$14,198,784	49.70%	\$1,077,290
Bulky Waste and Illegal Dumping Enforcement	\$5,850,659	20.48%	\$443,921
Litter Control	\$1,107,691	3.88%	\$84,103
Residential Trash-Curbside, Other, TRC Sub-Total	\$21,157,134	74.06%	\$1,605,314

T&R Center Trash Collection	\$6,914,904	24.21%	\$524,772
Commercial Trash Collection	\$493,541	1.73%	\$37,499

Total Trash Collection Direct Cost	\$28,565,579	100.00%	\$2,167,585
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39.74% Depreciation = **\$2,167,585**

2. Trash Administration Division Costs: Administrative costs for Trash Division totaling **\$1,264,195** 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 Clearing, Demolition, and Curbside trash are based on the relative direct cost of those activities.

Residential Tons (a)	281,688	98.92%
Commercial Tons	3,062	1.08%
Total Tons	284,750	100.00%

(a) Including Bulky Waste & Illegal Dumping Enforcement and Litter Control.

	Direct Cost	%	Allocation
Commercial Trash Collection	not applicable		\$13,653
Residential Trash-Curbside	14,198,784	50.58%	\$632,525
Residential Trash-TR Centers	6,914,904	24.63%	\$308,008
Bulky Waste and Illegal Dumping Enforcement	5,850,659	20.84%	\$260,613
Litter Control	1,107,691	3.95%	\$49,396
Lot Clearing (excluded-considered enf.)	0	0.00%	\$0
Demolition	0	0.00%	\$0
Total Residential Direct Cost	\$28,072,038	100.00%	\$1,264,195

5. Depreciate indirect cost totaling **\$18,281,249** 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	\$43,224,151 (1)	51.95%	\$9,497,109
Curbside Trash Collection	\$14,831,309 (1)	17.82%	\$3,257,719
T&R Center Trash Collection	\$7,222,912 (1)	8.68%	\$1,586,812
Recycling Programs	\$9,612,156	11.55%	\$2,111,484
Bulky Waste and Illegal Dumping Enforcement	\$6,111,272 (1)	7.35%	\$1,343,672
FEMA	\$0	0.00%	\$0
Litter Control	\$1,157,087 (1)	1.39%	\$254,109
Commercial Garbage Collection	\$542,213 (1)	0.65%	\$118,828
Commercial Trash Collection	\$507,194 (1)	0.61%	\$111,516
Lot Clearing	\$0	0.00%	\$0
Demolition	\$0	0.00%	\$0
Total	\$83,208,294	100.00%	\$18,281,249

(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
09/30/2019**

	Units	Tons Garbage	Tons Trash	Tons Recycling	Tons Total
Residential:					
Household units	334,996				
Residential dumpster units	4,460				
City of Miami Hud Units	75				
Sub-Total		516,769	277,233		794,002
Illegal Dumping:	-		4,071		4,071
Litter Control:	-		384		384
Total Residential	<u>339,531</u>	<u>516,769</u>	<u>281,688</u>	<u>-</u>	<u>798,457</u>
Commercial:					
Household/commercial units	3,094				
City of Miami Hud Units	1,095				
Sub-Total	<u>4,189</u>				
Commercial can units	553				
Commercial rollaway units	25				
Sub-Total	<u>578</u>				
Total Commercial	<u>4,767</u>	<u>6,471</u>	<u>3,062</u>	<u>-</u>	<u>9,533</u>
Sub-Total		<u>523,240</u>	<u>284,750</u>	<u>-</u>	<u>807,990</u>
Recycling:					
Units in collections service area	<u>334,996</u>				
Units outside service area	56				
Units inside service area w/o garbage service	<u>1,960</u>				
	<u>2,016</u>				
Municipal units	<u>16,521</u>				
Total Recycling	<u>353,533</u>	-	-	<u>60,311</u>	<u>60,311</u>
Total		<u>523,240</u>	<u>284,750</u> *	<u>60,311</u>	<u>868,301</u>

Percentages:

Residential:	59.51%	31.93%
Illegal Dumping:	0.00%	0.47%
Litter Control:	0.00%	0.04%
Commercial:	0.75%	0.35%
Recycling:	<u>0.00%</u>	<u>6.95%</u>

Totals	60.26%	39.74%
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* Excludes hurricane tonnage.

Waste Collection System

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

	For the Fiscal Year Ended September 30, 2019	
	<i>(In thousands)</i>	
Operating Revenues		
Solid waste collection services	\$	158,703
Other operating revenues		1,062
Total Collection Operating Revenues		159,765
Operating Expenses		
Garbage collection		43,766
Trash collection		24,959
Recycling		9,612
Litter control		1,080
Enforcement and environmental compliance		4,152
General and administrative		17,113
Subtotal		100,682
Depreciation		5,454
Total Collection Operating Expenses		106,136
Collection Operating Income		53,629
Non-Operating Revenues (Expenses)		
Interest income		1,228
Interest expense		(3,859)
Other income (expense), net:		
Hurricane related grant revenue		142,314
Other		209
Total Collection Non-Operating Expense, Net		139,892
Change in Net Position Before Elimination		193,521
Elimination*		(56,113)
Change in Net Position After Elimination	\$	137,408

* 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.

Interest expense in the amount of \$3,284 will be eliminated in the combined Statement of Net Position presentation.

See accompanying independent auditor's report.



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

The Miami-Dade County Solid Waste Management Department Full Cost Disclosure Report, a copy of which is attached for the fiscal year ended September 30, 2019 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 10 day of Aug., 2020.

DocuSigned by:

Edward Marquez

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Edward Marquez
Deputy Mayor/Finance Director
Miami-Dade County