

Broward County, Florida Landfill Management Escrow Account

Schedule of Activity and Balances
Year Ended September 30, 2024

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RSM US LLP

Independent Auditor's Report

Board of County Commissioners
Broward County, Florida

Opinion

We have audited the schedule of activity and balances of the Landfill Management Escrow Account of Broward County, Florida (the County) as of and for the year ended September 30, 2024, and the related notes (the Schedule).

In our opinion, the accompanying Schedule presents fairly, in all material respects, the activity and balances of the Landfill Management Escrow Account of the County as of September 30, 2024, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Schedule section of our report. We are required to be independent of the County and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibility of Management for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with accounting principles generally accepted in the United States of America, and 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.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the Schedule as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the Schedule.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the Schedule, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the Schedule.
- Obtain an understanding of internal control relevant to the audit 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 County's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the Schedule.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter

We have audited, in accordance with GAAS, the financial statements of the County as of and for the year ended September 30, 2024, and our report thereon, dated March 27, 2025, expressed unmodified opinions on those financial statements.

RSM US LLP

Fort Lauderdale, Florida
March 27, 2025

Broward County, Florida
Landfill Management Escrow Account

Schedule of Activity and Balances
As of and for the Year Ended September 30, 2024

	Broward County Interim Contingency Southwest Regional Landfill	South Broward Resource Recovery Landfill	Total Landfill Escrow Account
Funding:			
Escrow, September 30, 2023			
Estimated accumulated escrow for closure	\$ 8,674,094	\$ 6,781,916	\$ 15,456,010
Estimated accumulated escrow for long-term	11,189,058	11,512,195	22,701,253
Escrow balance, September 30, 2023	19,863,152	18,294,111	38,157,263
Less withdrawals	-	-	-
Plus deposits	2,244,000	1,351,000	3,595,000
Plus interest credited	1,048,227	965,424	2,013,651
Escrow balance, September 30, 2024	23,155,379	20,610,535	43,765,914
Estimated accumulated escrow for closure	8,343,589	7,960,480	16,304,069
Estimated accumulated escrow for long-term	14,811,790	12,650,055	27,461,845
Escrow balance, September 30, 2024	\$ 23,155,379	\$ 20,610,535	\$ 43,765,914

See notes to schedule of activity and balances.

**Broward County
Landfill Management Escrow Account**

Notes to Schedule of Activity and Balances

Note 1. Reporting Entity

Broward County, Florida (the County) is a political subdivision of the State of Florida. The County is governed by an elected Board of County Commissioners (the Board) who is responsible for the legislative and fiscal control of the County. In addition to the members of the Board, there are four elected constitutional officers: the Clerk of the County and Circuit Court, Property Appraiser, Sheriff and Supervisor of Elections.

Note 2. Summary of Significant Accounting Policies

Basis of accounting: The Landfill Management Escrow Account (the Escrow Account) was established on September 27, 1990, to comply with the escrow requirements of Section 62-701.630(5) of the Florida Administrative Code (the Code) and the Escrow Agreement. This rule requires the County to annually deposit funds in an interest bearing escrow account for the purpose of funding the estimated landfill closure costs of each of the County's landfills and to cover the following year's long-term care costs.

The balances and activity of the Escrow Account are presented and reported within the County's Solid Waste Fund.

The Schedule of Activity and Balances of the Landfill Management Escrow Account (the Schedule) is presented on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. The Schedule contains only the escrow account balances and activity required by the Code. It is not intended to present, and does not present, the financial position and changes in financial position of the County or the Solid Waste Fund or the complete activity of the landfill.

Cash: All cash deposits are held in qualified public depositories pursuant to State of Florida Statutes Chapter 280, *Florida Security for Public Deposits Act* (the Act). Under the Act, all qualified public depositories are required to pledge eligible collateral having a market value equal to or greater than the average daily or monthly balance of all public deposits times the depository's collateral pledging level. The pledging level may range from 50% to 125% depending upon the depository's financial condition and establishment period. All collateral must be deposited with an approved financial institution. Any losses to public depositories are covered by applicable deposit insurance, sale of securities pledged as collateral and, if necessary, assessments against other qualified public depositories of the same type as the depository in default.

Funding source: The escrow account is funded through deposits made out of the Solid Waste Fund's operating budget.

Withdrawals: Withdrawals represent reimbursements for actual out of pocket costs related to closure and post-closure care expenses paid out of the operating account of the Solid Waste Fund.

**Broward County
Landfill Management Escrow Account**

Notes to Schedule of Activity and Balances

Note 3. Landfill Management Escrow Account

In accordance with Code 62-701.630 rules, the required level of funding of the Escrow Account at September 30, 2024, consists only of cash held in a qualified public depository.

The minimum amount to be deposited into the Escrow Account in each year is based on estimates made biennially by a registered Professional Engineer from a consulting firm. The Fund uses the balance method where the minimum fiscal year-end account balance is the current dollar closing cost estimate multiplied by the percentage of the design life exhausted to the total design life of the landfill less all closing costs paid to date. For government-owned landfills, the owner or operator shall deposit into the Escrow Account, at the time of closing and each year thereafter, sufficient funds to cover the following year's long-term care costs. Funds determined to be in excess of the required financial assurance balances are retained in the escrow account for contingencies and are used to offset future annual funding requirements for closure and post-closure care. Deficiencies are funded through operating transfers.

Note 4. Landfill Closure and Post-Closure Care Costs

State and federal laws require that the County place a final cover on its landfill sites when they stop accepting waste and that the sites be monitored for up to 30 years after closure. Although closure and post-closure care costs will be paid only near, or after, the date the landfills stop accepting waste, the County reports a portion of these costs as an operating expense and a liability in each period based on landfill capacity used as of the financial statement date as required by Governmental Accounting Standards Board (GASB) Statement No. 18, *Accounting for Municipal Solid Waste Landfill Closure and Post-Closure Care Costs*. The County's landfill closure and post-closure care liability at September 30, 2024, was estimated to be \$36,149,000. The total estimated costs for closure and long-term maintenance costs for each landfill when it reaches capacity is as follows:

	Broward County Interim Contingency Southwest Regional	South Broward Resource Recovery	Total
Estimated costs:			
Estimated closure costs	\$ 13,305,222	\$ 7,640,461	\$ 20,945,683
Estimated long-term maintenance costs	17,162,934	12,969,563	30,132,497
Total estimated costs, September 30, 2024	<u>\$ 30,468,156</u>	<u>\$ 20,610,024</u>	<u>\$ 51,078,180</u>

**Broward County
Landfill Management Escrow Account**

Notes to Schedule of Activity and Balances

Note 5. Schedule of Deposits

In accordance with Code 62-701.630 rules, below is a schedule of all deposits including dates and amounts:

Deposits:

10/10/23	Interest	\$	153,113
11/08/23	Interest		168,331
12/08/23	Interest		163,613
12/19/23	Interest adjustments		15
01/09/24	Interest		170,046
01/16/24	Interest adjustments		17
02/08/24	Interest		170,075
02/16/24	Interest adjustments		5
03/08/24	Interest		159,841
04/08/24	Interest		171,646
04/30/24	Interest adjustments		(31)
05/08/24	Interest		166,669
06/10/24	Interest		172,939
07/09/24	Interest		167,962
08/08/24	Interest		174,261
09/10/24	Interest		175,149
09/25/24	BC Landfill		2,244,000
09/25/24	Ash Monofill		1,351,000
		<u>\$</u>	<u>5,608,651</u>