

City of Daytona Beach, Florida
SCHEDULE OF ACTIVITY
LANDFILL MANAGEMENT ESCROW ACCOUNT

For the Year Ended
September 30, 2016



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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

Honorable Mayor and Members of the City Commission
City of Daytona Beach, Florida

We have audited the accompanying Schedule of Activity for the Landfill Management Escrow Account (the "Schedule") of the City of Daytona Beach, Florida, for the year ended September 30, 2016, and the related notes.

Management's Responsibility for the Financial Information

Management is responsible for the preparation and fair presentation of this Schedule in accordance with the provisions of Rule 62-701.630(5) of the Florida Administrative Code; 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.

Auditors' Responsibility

Our responsibility is to express an opinion on this 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 of City of Daytona Beach, Florida presents fairly, in all material respects, the cash receipts and disbursements required to be set forth therein for the year ended September 30, 2016, in accordance with the provisions of the Florida Administrative Code referred to above.

Basis of Accounting

We draw attention to Note 1 to the Schedule, which describes the basis of accounting. The Schedule was prepared by the City of Daytona Beach, Florida, on the cash basis, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the provisions of the Florida Administrative Code referred to above. Our opinion is not modified with respect to that matter.

Restriction on Use

This report is intended solely for the information of the City Commission and management of the City of Daytona Beach, Florida, 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.

Carri Riggs & Ingram, L.L.C.

Melbourne, Florida
January 25, 2017

City of Daytona Beach, Florida
Notes to Schedule of Activity
Landfill Management Escrow Account

For the year ended September 30, 2016

Balance, September 30, 2015	\$	140,537
Interest Earned:		
October 31, 2015		2
November 30, 2015		1
December 31, 2015		2
January 31, 2016		2
February 29, 2016		2
March 31, 2016		3
April 30, 2016		3
May 31, 2016		3
June 30, 2016		2
July 31, 2016		1
August 31, 2016		2
September 30, 2016		2
Total Interest Earned		25
Funds transferred in		67,779
Balance, September 30, 2016	\$	208,341



City of Daytona Beach, Florida
Notes to Schedule of Activity
Landfill Management Escrow Account

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The City of Daytona Beach, Florida (the “City”), is a political subdivision of the state of Florida. It is governed by an elected Board of City Commissioners (the “Board”), which is governed by Florida Statutes and Regulations.

Basis of Accounting

The Landfill Management Escrow Account (the “Escrow Account”) was established to comply with the requirements of Rule 62-701.630(5) of the Florida Administrative Code (the “Code”). This rule requires the City to annually deposit funds into an interest-bearing escrow account for the purpose of funding the estimated landfill closure cost of the City’s landfill.

Basis of Presentation

The balance and activity of the Escrow Account is presented and reported within the City’s Solid Waste Management Enterprise Fund.

The Schedule of Activity of the Escrow Account is presented on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America and is only intended to present the balance segregated for the purpose of complying with Rule 62-701.630(5) of the Code.

The City’s investments are reported at fair value. Interest earnings include realized and unrealized gains and losses. Details of the City’s investments may be found in its Comprehensive Annual Financial Report for the year ended September 30, 2016.

City of Daytona Beach, Florida
Notes to Schedule of Activity
Landfill Management Escrow Account

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Landfill Management Escrow Account

The City records the landfill management escrow as restricted cash to fund closure costs of the Clyde Morris Construction and Demolition (“C&D”) Site. The escrow requirement is calculated based on estimates made annually by a registered professional engineer. The Code requires that the escrow be funded for closure costs on a straight-line basis over the design life of the permitted portion of the landfill and for one year’s long-term care cost beginning one year prior to closure. Since the Clyde Morris C&D Site will not be closed until all phases are complete (estimated to occur in the year 2020), the required escrow balance at September 30, 2016 reflects no long-term care costs. At September 30, 2016, the required balance of the escrow account was based on the following calculation:

All Phases:

Current estimated cost of closure (CE)	\$	240,393
Design life exhausted (DE) (years)		26
Current estimated design life (DL) (years)		30
Documented closing expenses (E)		-
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Required Escrow Balance [CE x (DE/DL)] - E	\$	208,341
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Total Required Escrow Balance	\$	208,341
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Amount Funded		208,341
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Amount (over) underfunded	\$	(0)
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The escrow account is on deposit in the City of Daytona Beach SunTrust Pooled Cash account in Orlando, Florida, and is accounted for in the City’s pooled cash and investments.