

Review of Licensed Private Collectors

Waste Management, Inc.

and

Public Waste Services, LLC

Report of Audit 03/04-XX-16

October 13, 2004



MEMORANDUM NO. 05-04

DATE: October 13, 2004

TO: Acting City Engineer/Peter Partington
Finance Director/Terry Sharp

SUBJECT: Review of Licensed Private Collectors – **Waste Management, Inc.**
d/b/a Southern Sanitation Services and **Public Waste Services, LLC**
(previously Panzarella Companies LLC d/b/a Panzarella Waste Services)

Enclosed is the “subject” Final Report of Audit.

Allyson C. Love
Internal Audit Director

Attachment - Final Report of Audit

c: City Commission
City Manager/George Gretsas
Assistant City Manager/Kathleen Gunn
City Attorney/Harry Stewart
Manager of General Services/Ed Udvardy
Finance Administrator, Public Works/Susan LeSage

ACL/cs

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REPORT OF AUDIT NO. 03/04-XX-16

Date: September 15, 2004

To: Acting City Engineer/Peter Partington
Finance Director/Terry Sharp

Via: Internal Audit Director/Allyson C. Love

Subject: Review of Licensed Private Collectors – **Waste Management, Inc.** d/b/a Southern Sanitation Services and **Public Waste Services, LLC** (previously Panzarella Companies LLC d/b/a Panzarella Waste Services)

BACKGROUND

The City of Fort Lauderdale (City) requires all solid waste private collectors to apply for a license to service accounts within the corporate limits of the City. The license gives the collector a franchise to collect garbage, trash and similar waste materials, and recyclables within the City. The franchise fees payable to the City equal seventeen (17) percent of gross receipts. Gross receipts do not include taxes and the amount of franchise fees when such are separately and accurately delineated on the billing statement to customers. Franchise fees are due and payable to the City by the twentieth calendar day of the month following the month the services were provided. Gross receipts, for franchise fee purposes, will include lease and container rental for roll offs and other bulk containers, but does not include payments from commercial enterprises for source separated recycling services or lease/container rental for compactors/other waste processing equipment permanently installed at account locations.

In September 2002, the City issued license number 760007 to Waste Management, Inc. (WM) d/b/a Southern Sanitation Services to operate within the corporate limits of the City. Also, the City issued license number 20001 to Panzarella Companies, LLC d/b/a Panzarella Waste Services, whose name was subsequently changed to Public Waste Services, LLC (PWS), to collect and dispose of a wide range of commercial, industrial and construction-related solid waste and recyclables within the corporate limits of the City. Both licenses will expire on September 30, 2005.

The City's Public Services Department, Sanitation Division, is responsible for the overall administration and management of the municipal solid waste

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program. City Ordinance section 24-66 outlines license policies and procedures.

SCOPE

The overall objective of our review was to determine if WM and PWS properly remitted franchise fees to the City according to the license agreement and to verify compliance with other terms and conditions. The review included: (1) verification all sources of revenue earned by the company within the City were included in the base for calculation of the franchise fee; (2) accounting methodology used by the company accurately calculated the gross receipts and the appropriate amount of franchise fees were paid; (3) verification of customer coding accuracy, which identified customers located within the City; and (4) validation that customers in newly annexed areas were correctly coded.

We reviewed documents and transactions from October 2001 through December 2003. However, WM did not provide Internal Audit access to the all-inclusive Broward County database (all municipalities) to determine if their customers located within the City were properly coded. Furthermore, Internal Audit experienced a scope impairment, since the City's Geographic Information System (GIS) Office, who performed automated testing/matching of WM's customer database to the City's network of addresses located within the City's boundaries, was only able to analyze WM's database information for certain areas.¹ The review was performed during the months of March through July 2004 according to generally accepted government auditing standards.

OVERALL EVALUATION

WM's license agreement was properly executed and license fees paid. However, the Sanitation Fund was *overpaid by \$15,681* due to incorrect coding of accounts/taxing jurisdictions and/or inaccurate calculation of total cash receipts, which affected the calculation of monthly franchise fees paid/submitted to the City. However, refund of the overpayment will be contingent upon the completion of our tests of WM's all-inclusive Broward County customer database.

¹ Fort Lauderdale, Wilton Manors, Tamarac, Oakland Park, Margate, Plantation, Davie, Lauderdale Lakes, Lauderdale by the Sea and unincorporated Broward.

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PWS’s license agreement was properly executed and license fees paid. However, the Sanitation Fund was *underpaid by \$168.66* due to incorrect coding of accounts/taxing jurisdictions and/or inaccurate calculation of total cash receipts, which affect the calculation of monthly franchise fees paid to the City.

WASTE MANAGEMENT, INC.

FINDING 1

The Sanitation Fund was overpaid \$15,681 in franchise fees as a result of incorrectly coded commercial, industrial, and temporary service accounts and/or inaccurate calculation of cash receipts reported to the City.

License Agreement, Provision 3 states, “A complete and accurate account list for both recycling and solid waste accounts including the account name, address and telephone number for all accounts serviced at the time of application will be submitted with the license application.”

During the review of the accuracy of the customer information, we noted the following exceptions:

DESCRIPTION	EXPLANATION	FRANCHISE FEE (UNDER)/ OVER PAID TO CITY	NOTE	SCHEDULE
Comparison of Details vs. Franchise Fee Schedules	Review of Waste Management’s accounting records revealed revenues were under/over reported and adjustments made were unsubstantiated.	(13,033.94)	1	1
Miscoded Customers (91)	In GIS, that belonged to other jurisdictions were coded to the City in error.	93,826.49	2	2
Miscoded Customers (26)	Customer addresses in GIS were miscoded to Broward County, even though they were addresses within the City.	(65,111.36)	3	2
	Total	\$15,681.19		
Note 1 – WM underreported their gross receipts citing the City received from Browning Ferris, Inc. (BFI) payments on certain accounts during previous months. WM indicated they acquired certain BFI assets/accounts back in Oct 2003; however, WM was unable to support this acquisition and the basis for this assumption. The City was not aware of the adjustment. WM was unable to provide an acquisition agreement or the value of the receivables as of the acquisition date.				
Note 2 – See Finding 2.				
Note 3 - The City annexed Melrose Park and Greater Riverland Road Area September 2002 and Palm-Aire in September 2000. City Departments (Finance or Public Services) did not provide WM with formal written notice of the annexation to facilitate the transition of the accounts.				
GIS – Geographic Information System				

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Proper coding of customer accounts by Licensee will ensure the City receives the correct amount of revenues.

RECOMMENDATIONS AND MANAGEMENT COMMENTS

The *Manager of General Services* should:

Recommendation 1. *Contingent upon Internal Audit obtaining access to WM's all-inclusive Broward County list (See Finding 2), and the results of address coding testing, a determination will be made concerning the possible refund \$15,681 to WM.*

Management Comment. *Management concurred with the finding and recommendation and stated: "We will request an all-inclusive list of Broward County customers from Waste Management, Inc. prior to refunding \$15,681." Estimated completion date November 1, 2004.*

Recommendation 2. *Provide written notification to the Licensee to update all miscoded accounts (Schedule 2) to reflect the correct tax profile code. Also, written notification should be provided to all existing haulers on the last three annexations (Melrose Park/Greater Riverland Road Area/Palm-Aire), in order for the Licensee to transition all customers within these areas to a City tax code profile. Furthermore, the accounts should be adjusted retroactively to the effective date of the annexation.*

Management Comment. *Management concurred with the recommendation and stated: "We will notify Waste Management, Inc., as well as all Collectors, to update all miscoded accounts to reflect the correct tax profile code. This letter will encourage them to utilize the City web page and/or the Broward County Property Appraiser web page to verify and update address coding. Included in this letter will be notification concerning the last three annexations (Melrose Park./Greater Riverland Road Area/Palm Aire), in order for the licensee to transition all customers within these areas to a City tax code profile. They will be advised that these accounts should be adjusted retroactively to the effective date of the annexation." Estimated completion date November 1, 2004.*

Recommendation 3. *Revoke BFI's Certificate of Operation and license since BFI no longer operates in Broward County and therefore*

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discontinued its obligation to pay franchise fees to the City in November 2003.

Management Comment. *Management concurred with the recommendation and stated:* “We will revoke BFI’s Certificate of Operation and license since BFI no longer operates in Broward county and therefore discontinued its obligation to pay franchise fees to the City.” **Estimated completion date November 1, 2004.**

Recommendation 4. *Immediately amend the Franchise Fee Report to include a line for any adjustment of gross receipts (Exhibit) and include an explanation for the adjustment.*

Management Comment. *Management concurred with the recommendation and stated:* “We will immediately amend the Franchise Fee Report to include a line for any adjustment of gross receipts and include an explanation for the adjustment.” **Estimated completion date November 1, 2004.**

The *Finance Director* should require the *Treasurer* to:

Recommendation 5. *Develop a written procedure to send written notification to the Manager of General Services of all annexations which affect the City’s corporate limits. Additionally, each hauler licensed by the City should be notified of the effective date for the transition of commercial franchise fees as the result of annexations to maximize City revenues.*

Management Comment. *Management concurred with the recommendation and stated:* “The Treasury Division has in the past given notice to Public Services of all annexations, including an list of addresses contained in the newly annexed areas. The Treasury Division proposes that the following written procedure be put in place for future annexations. This will formally state the procedure already in place: The Treasurer shall give a written notice to the Director of General Services of all formally approved annexations to the corporate limits of the City of Fort Lauderdale. Said notice shall contain, but not be limited to: the effective date of the annexation and a list of the street addresses included in the newly annexed area.” **Estimated completion date October 11, 2004.**

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FINDING 2

WM did not provide full access to the all-inclusive Broward County Database, which resulted in a limited review of the adequacy of the customer address coding within City limits.

License Agreement, Provision 9 states, "Information submitted by the Applicant and all other applicable and associated information, will be subject to audit by the Internal Auditor..."

WM provided the City access to their customer database for Fort Lauderdale, Wilton Manors, Tamarac, Oakland Park, Margate, Plantation, Davie, Lauderdale Lakes, Lauderdale by the Sea and unincorporated Broward. The results, due to customer miscoding, revealed an overpayment of \$15,681 (See Finding 1). However, the listing excluded other municipalities located in the County. Based on prior audits of sanitation companies, we identified address-coding errors for jurisdictions found outside the boundaries of the City. The errors were found due to a complete analysis of the sanitation companies' all-inclusive Broward County database.

WM's Franchise Fee Administrator stated WM will only provide the database information of cities around Fort Lauderdale City limits since, in their opinion, the geographic areas provided are the only territories that overlap City boundaries. WM had concerns with the open market status of the customer accounts, which could provide competitors with access to their customer information.

A complete review of the all-inclusive Broward County database will allow a complete and thorough analysis of Licensee's database to validate all City customer addresses are properly coded and the fees received are appropriate.

RECOMMENDATION 6

The Manager of General Services should require WM to provide Internal Audit and GIS with the all-inclusive Broward County list of their customers in order to determine whether their customer accounts are properly coded and franchise fees properly calculated and paid.

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MANAGEMENT COMMENT

Management concurred with the finding and recommendation and stated: “We will request Waste Management provide their all-inclusive list of Broward County customers in order to determine whether their customer accounts are properly coded and franchise fees properly calculated and paid.” **Estimated completion date November 1, 2004.**

FINDING 3

Internal control procedures were not in place to require sanitation companies to formally advise the City whenever a company acquires the assets and contracts of another sanitation company doing business in the City. As a result, no actions were taken to revoke the license of Browning Ferris, Inc. (BFI). Furthermore, a revised list of equipment in use by WM within the corporate limits of the City was not obtained.

License Agreement, Provision 8 states, “The Applicant will insure all front end loader containers, compactors, and roll-off containers in use within the corporate limits of the City are clearly marked and labeled with their company name and/or logo...”

Based on discussion with WM, via a letter sent to BFI service customer accounts, we learned WM acquired certain BFI assets and contracts back in October 2003. The City was not aware of this acquisition.

Since the acquisition was not made known to the City, the following issues exist:

- ✘ BFI’s Certificate of Operation, License number 790001, with an expiration date of September 30, 2005, is still active. No actions have been taken to revoke the license of BFI, since operations in Broward County have ceased.
- ✘ The City has the equipment listed below under BFI’s list of equipment; however, we noted the same equipment is currently reflected on WM’s current equipment inventory and not all equipment has been clearly marked and relabeled with the WM company name and/or logo.

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Vehicle Type	Tag #	Truck #
Front end loader	M7849R	930
Front end loader	M9308R	931
Front end loader	N2791A	952
Front end loader	N2792A	950
Front end loader	M1693S	940
Front end loader	M1310S	936
Recycling	N2870B	1042
Rear loader	N5320B	687
Roll-off	M0656S	402
Roll-off	N2802A	420

Inclusion of a provision in license agreements to require the City be notified when acquisitions take place will allow appropriate actions to be taken to ensure license agreement terms are adhered to and knowledge of the provider of municipal solid collection and disposal service.

RECOMMENDATION 7

The Manager of General Services should incorporate language in the license agreements to require haulers to report any changes due to acquisition of assets or contracts of another company doing business in the City. This will allow the City to take appropriate actions to revoke the active licenses of companies no longer doing business within the City. Furthermore, require licensees to transition equipment to the appropriate company's inventory and ensure equipment is properly marked and labeled with the new company's name.

MANAGEMENT COMMENT

Management concurred with the finding and recommendation and stated: "We will incorporate language in the license agreement to require haulers to report any changes due to acquisition of assets or contracts of another company doing business in the City. The agreement will also require licensees to transition equipment to the appropriate company's inventory and ensure equipment is properly marked and labeled with the new company name. We will forward a revised draft of the license agreement to the City Attorney by November 1, 2004. Once the revised agreement has been approved by the City Attorney, we will forward the revision to all of the Collectors licensed with the City of Fort Lauderdale." **Estimated completion date November 1, 2004.**

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PUBLIC WASTE SERVICES, LLC

FINDING 4

The Sanitation Fund was underpaid \$169 as a result of incorrectly coded commercial service accounts and inaccurate calculation of cash receipts reported to the City.

License Agreement, Provision 3 states, “A complete and accurate account list for both recycling and solid waste accounts including the account name, address and telephone number for all accounts serviced at the time of application will be submitted with the license application.”

During the review of the accuracy of the licensee’s customer information, we noted the following exceptions:

Analysis of Franchise Fees					
DESCRIPTION	EXPLANATION	CASH RECEIPTS EXCLUSIVE OF FEE	FRANCHISE FEES DUE TO CITY	SCHEDULE #	REMARKS
Comparison of Details vs. Franchise Fee Schedules	Difference between schedules submitted and detail reports	367.47	62.47	Schedule 3	Underpaid
Commercial Account Incorrectly Coded Outside of City Limits	2735 E. Oakland Park Blvd.	624.70	106.19		Underpaid
Recycling Account Incorrectly Coded Inside of City Limits	3090 W. Sunrise Blvd.	5,064.56	0.00		No fee applies
	Total	\$6,056.73	\$ 168.66		

PWS’ records should accurately support the Monthly Franchise Fee Schedule amounts reported to the City and maintain accurate records of properties under each tax profile code. This will assist in the City receiving accurate revenues from the Licensee.

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RECOMMENDATION 8

Recommendation 8. *The Manager of General Services should invoice PWS \$168.66 for underpaid franchise fees for the period reviewed.*

MANAGEMENT COMMENT

Management concurred with the finding and recommendation and stated: “We will invoice Public Waste Services, LLC for \$168.66.” **Estimated completion date November 1, 2004.**

FINDING 5

Internal control procedures are not in place for the City to reissue to Licensee a revised Certificate of Operation when notifications are provided of a company name change.

The Certificate of Operation states, “This is to certify that the private refuse collector named below, having met all the requirements prescribed by the City of Fort Lauderdale Code of Ordinances, Chapter 20, section 20-7 through 20-717, inclusive; and having executed a contract with the City of Fort Lauderdale attesting to same, is hereby granted a Certificate of Operation.”

The Sanitation Division of the Public Services Department issued a Certificate of Operation to Panzarella under License #20001. Panzarella registered an official name change to Public Waste Services, LLC on 11/10/2003 with the State of Florida and reported the change to the City via letter dated 12/17/2003. However, the City has not issued a new License reflecting the new name.

The City should ensure valid Certificates of Operation are issued to current licensees under the officially registered name of the companies.

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RECOMMENDATION 9

The Manager of General Services should require a new Certificate of Operation be issued, including the new officially registered name of the licensee.

MANAGEMENT COMMENT

Management concurred with the finding and recommendation and stated: “We will issue a new Certificate of Operation to Public Waste Services, including the new officially registered name of the licensee.” **Estimated completion date November 1, 2004.**

EVALUATION OF MANAGEMENT COMMENTS

Management comments provided and actions taken and/or planned are considered responsive to the recommendations.

City of Fort Lauderdale - Internal Audit Office
Review of Licensed Private Collectors - Waste Management, Inc.
Summary Analysis - Detail of Franchise Fee Schedules

SCHEDULE 1

Month/ Trans Code	Commercial Cash Receipts Subject to Franchise Fee	Roll-off Cash Receipts Subject to Franchise Fee	Total Cash Receipts Subject to Franchise Fee	Adjusted Cash Receipts (Exclusive of Franchise Fees Collected)	Franchise Fees Due to City
Oct-01	\$ 869,472.38	\$ 99,030.61	\$ 968,502.99	\$ 827,780.33	\$ 140,722.66
WM Detail Report	(896,472.38)	(99,030.61)	(995,502.99)	(850,857.26)	(144,645.73)
Difference	(27,000.00)	-	(27,000.00)	(23,076.93)	(3,923.07)
Nov-01	1,005,178.20	154,471.49	1,159,649.69	991,153.58	168,496.11
WM Detail Report	(1,005,178.20)	(154,471.49)	(1,159,649.69)	(991,153.58)	(168,496.11)
Difference	-	-	-	(0.00)	0.00
Dec-01	829,254.44	175,177.30	1,004,431.74	858,488.67	145,943.07
WM Detail Report	(829,254.44)	(175,177.30)	(1,004,431.74)	(858,488.67)	(145,943.07)
Difference	-	-	-	0.00	(0.00)
Jan-02	879,245.10	126,772.53	1,006,017.63	859,844.13	146,173.50
WM Detail Report	(879,245.10)	(126,078.42)	(1,005,323.52)	(859,250.87)	(146,072.65)
Difference	-	694.11	694.11	593.26	100.85
Feb-02	819,774.98	106,786.69	926,561.67	791,933.05	134,628.62
WM Detail Report	(824,252.36)	(106,786.69)	(931,039.05)	(795,759.87)	(135,279.18)
Difference	(4,477.38)	-	(4,477.38)	(3,826.82)	(650.56)
Mar-02	906,389.51	149,002.08	1,055,391.59	902,044.09	153,347.50
WM Detail Report	(906,389.51)	(149,002.08)	(1,055,391.59)	(902,044.09)	(153,347.50)
Difference	-	-	-	(0.00)	0.00
Apr-02	877,314.19	173,820.37	1,051,134.56	898,405.61	152,728.95
WM Detail Report	(877,314.19)	(173,820.37)	(1,051,134.56)	(898,405.61)	(152,728.95)
Difference	-	-	-	0.00	(0.00)
May-02	867,770.85	161,520.84	1,029,291.69	879,736.49	149,555.20
WM Detail Report	(867,770.85)	(161,545.00)	(1,029,315.85)	(879,757.14)	(149,558.71)
Difference	-	(24.16)	(24.16)	(20.65)	(3.51)
Jun-02	794,892.71	143,569.40	938,462.11	802,104.37	136,357.74
WM Detail Report	(797,167.96)	(143,569.70)	(940,737.66)	(804,049.28)	(136,688.38)
Difference	(2,275.25)	(0.30)	(2,275.55)	(1,944.91)	(330.64)
Jul-02	901,230.09	150,029.30	1,051,259.39	898,512.30	152,747.09
WM Detail Report	(901,230.09)	(150,029.30)	(1,051,259.39)	(898,512.30)	(152,747.09)
Difference	-	-	-	0.00	(0.00)
Aug-02	855,941.92	130,201.48	986,143.40	842,857.61	143,285.79
WM Detail Report	(855,941.92)	(130,201.48)	(986,143.40)	(842,857.61)	(143,285.79)
Difference	-	-	-	0.00	(0.00)
Sep-02	793,223.86	135,589.65	928,813.51	793,857.70	134,955.81
WM Detail Report	(796,095.98)	(135,589.65)	(931,685.63)	(796,312.50)	(135,373.13)
Difference	(2,872.12)	-	(2,872.12)	(2,454.80)	(417.32)
Legend					
	Per Monthly Franchise fee Schedule Submitted to City				
	Identified Differences between Detail Reports and Franchise Fee Schedules				

City of Fort Lauderdale - Internal Audit Office
Review of Licensed Private Collectors - Waste Management, Inc.
Summary Analysis - Detail of Franchise Fee Schedules

SCHEDULE 1

Month/ Trans Code	Commercial Cash Receipts Subject to Franchise Fee	Roll-off Cash Receipts Subject to Franchise Fee	Total Cash Receipts Subject to Franchise Fee	Adjusted Cash Receipts (Exclusive of Franchise Fees Collected)	Franchise Fees Due to City
Oct-02	868,775.27	148,300.34	1,017,075.61	869,295.39	147,780.22
WM Detail Report	(868,775.27)	(148,300.34)	(1,017,075.61)	(869,295.39)	(147,780.22)
Difference	-	-	-	(0.00)	0.00
Nov-02	840,383.51	178,015.83	1,018,399.34	870,426.79	147,972.55
WM Detail Report	(840,383.51)	(178,015.83)	(1,018,399.34)	(870,426.79)	(147,972.55)
Difference	-	-	-	0.00	(0.00)
Dec-02	862,821.77	168,402.03	1,031,223.80	881,387.86	149,835.94
WM Detail Report	(862,821.77)	(168,402.03)	(1,031,223.80)	(881,387.86)	(149,835.94)
Difference	-	-	-	(0.00)	0.00
Jan-03	889,626.42	141,869.99	1,031,496.41	881,620.86	149,875.55
WM Detail Report	(889,626.42)	(141,869.99)	(1,031,496.41)	(881,620.86)	(149,875.55)
Difference	-	-	-	(0.00)	0.00
Feb-03	819,816.22	203,801.47	1,023,617.69	874,886.91	148,730.78
WM Detail Report	(819,816.22)	(203,801.47)	(1,023,617.69)	(874,886.91)	(148,730.78)
Difference	-	-	-	(0.00)	0.00
Mar-03	894,772.06	202,886.33	1,097,658.39	938,169.56	159,488.83
WM Detail Report	(897,625.54)	(202,886.33)	(1,100,511.87)	(940,608.44)	(159,903.43)
Difference	(2,853.48)	-	(2,853.48)	(2,438.88)	(414.60)
Apr-03	933,637.09	186,638.74	1,120,275.83	957,500.71	162,775.12
WM Detail Report	(933,637.09)	(186,638.74)	(1,120,275.83)	(957,500.71)	(162,775.12)
Difference	-	-	-	0.00	(0.00)
May-03	866,263.15	185,369.26	1,051,632.41	898,831.12	152,801.29
WM Detail Report	(866,263.15)	(185,369.26)	(1,051,632.41)	(898,831.12)	(152,801.29)
Difference	-	-	-	0.00	(0.00)
Jun-03	841,765.72	149,371.88	991,137.60	847,126.15	144,011.45
WM Detail Report	(841,765.72)	(149,371.88)	(991,137.60)	(847,126.15)	(144,011.45)
Difference	-	-	-	(0.00)	0.00
Jul-03	815,167.37	144,590.73	959,758.10	820,306.07	139,452.03
WM Detail Report	(815,167.37)	(144,590.73)	(959,758.10)	(820,306.07)	(139,452.03)
Difference	-	-	-	0.00	(0.00)
Aug-03	891,866.41	149,461.76	1,041,328.17	890,024.08	151,304.09
WM Detail Report	(891,866.41)	(149,461.76)	(1,041,328.17)	(890,024.08)	(151,304.09)
Difference	-	-	-	0.00	(0.00)
Sep-03	892,509.94	139,333.98	1,031,843.92	881,917.88	149,926.04
WM Detail Report	(892,509.94)	(139,332.98)	(1,031,842.92)	(881,917.03)	(149,925.89)
Difference	-	1.00	1.00	0.85	0.15
Oct-03	840,628.75	157,504.44	998,133.19	853,105.29	145,027.90
WM Detail Report	(840,628.75)	(157,504.44)	(998,133.19)	(853,105.29)	(145,027.90)
Difference	-	-	-	(0.00)	0.00

City of Fort Lauderdale - Internal Audit Office
Review of Licensed Private Collectors - Waste Management, Inc.
Summary Analysis - Detail of Franchise Fee Schedules

SCHEDULE 1

Month/ Trans Code	Commercial Cash Receipts Subject to Franchise Fee	Roll-off Cash Receipts Subject to Franchise Fee	Total Cash Receipts Subject to Franchise Fee	Adjusted Cash Receipts (Exclusive of Franchise Fees Collected)	Franchise Fees Due to City
Nov-03	821,463.31	175,554.54	997,017.85	852,152.01	144,865.84
WM Detail Report	(821,463.31)	(175,554.54)	(997,017.85)	(852,152.01)	(144,865.84)
Difference	-	-	-	-	-
Dec-03	891,535.87	229,218.09	1,120,753.96	957,909.37	162,844.59
WM Detail Report	(942,432.53)	(229,218.09)	(1,171,650.62)	(1,001,410.79)	(170,239.83)
Difference	\$ (50,896.66)	\$ -	\$ (50,896.66)	\$ (43,501.42)	\$ (7,395.24)
Total Monthly Franchise Fee Reports	\$ 23,370,721.09	\$ 4,266,291.15	\$ 27,637,012.24	\$ 23,621,377.98	\$ 4,015,634.26
Total Detail Reports	\$ (23,461,095.98)	\$ (4,265,620.50)	\$ (27,726,716.48)	\$ (23,698,048.27)	\$ (4,028,668.21)
Total Differences	\$ (90,374.89)	\$ 670.65	\$ (89,704.24)	\$ (76,670.30)	\$ (13,033.94)
					Underpaid to City

**City of Fort Lauderdale - Internal Audit Office
Analysis of Waste Management, Inc. Database Information**

SCHEDULE 2

Reference Number	Per WM Records Database									Per IA	
	Customer Id	Company	Customer Number	Tax Profile	Included by WM in City Corporate Limits	Cash Receipts	Cash Receipts Exclusive of Franchise Fee	Franchise Fee	Franchise Fee Paid	Franchise Fee Due	Over/(Underpaid) to City
Sites Outside City Erroneously Paid Franchise Fees											
1	C	237	3544	FT	Yes	\$ 14,727.88	\$ 12,587.93	\$ 2,139.95	\$ 2,139.95	\$ -	\$ 2,139.95
2	C	237	3545	FT	Yes	11,115.55	9,500.47	1,615.08	1,615.08	-	1,615.08
3	C	237	4964	FT	Yes	6,973.87	5,960.57	1,013.30	1,013.30	-	1,013.30
4	C	237	5084	FT	Yes	16,618.91	14,204.20	2,414.71	2,414.71	-	2,414.71
5	C	237	5514	FT	Yes	11,281.88	9,642.63	1,639.25	1,639.25	-	1,639.25
6	C	237	5521	FT	Yes	10,515.45	8,987.56	1,527.89	1,527.89	-	1,527.89
7	C	237	8800	FT	Yes	3,416.55	2,920.13	496.42	496.42	-	496.42
8	C	237	9404	FT	Yes	6,865.41	5,867.87	997.54	997.54	-	997.54
9	C	237	11281	FT	Yes	5,963.12	5,096.68	866.44	866.44	-	866.44
10	C	237	12099	FT	Yes	137,857.54	117,826.96	20,030.58	20,030.58	-	20,030.58
11	C	237	12319	FT	Yes	6,349.34	5,426.79	922.55	922.55	-	922.55
12	C	237	12741	FT	Yes	6,325.65	5,406.54	919.11	919.11	-	919.11
13	C	237	13182	FT	Yes	66,027.06	56,433.38	9,593.68	9,593.68	-	9,593.68
14	C	237	13234	FT	Yes	30,032.19	25,668.54	4,363.65	4,363.65	-	4,363.65
15	C	237	13679	FT	Yes	6,710.50	5,735.47	975.03	975.03	-	975.03
16	C	237	13833	FT	Yes	6,456.27	5,518.18	938.09	938.09	-	938.09
17	C	237	14239	FT	Yes	22,485.79	19,218.62	3,267.17	3,267.17	-	3,267.17
18	C	237	14240	FT	Yes	19,085.13	16,312.08	2,773.05	2,773.05	-	2,773.05
19	C	237	14267	FT	Yes	28,972.01	24,762.40	4,209.61	4,209.61	-	4,209.61
20	C	237	14278	FT	Yes	26,426.83	22,587.03	3,839.80	3,839.80	-	3,839.80
21	C	237	31612	FT	Yes	519.18	443.74	75.44	75.44	-	75.44
22	C	237	32368	FT	Yes	2,925.93	2,500.79	425.14	425.14	-	425.14
23	C	237	33268	FT	Yes	6,966.84	5,954.56	1,012.28	1,012.28	-	1,012.28
24	C	237	33566	FT	Yes	3,915.29	3,346.40	568.89	568.89	-	568.89
25	C	237	33733	FT	Yes	2,877.14	2,459.09	418.05	418.05	-	418.05
26	C	237	33937	FT	Yes	4,509.72	3,854.46	655.26	655.26	-	655.26
27	C	237	34250	FT	Yes	7,621.13	6,513.79	1,107.34	1,107.34	-	1,107.34
28	C	237	34461	FT	Yes	3,086.47	2,638.01	448.46	448.46	-	448.46
29	C	237	35123	FT	Yes	3,354.93	2,867.46	487.47	487.47	-	487.47
Legend											
Balance of account addresses which belonged to other jurisdictions and were coded to the City in error.											
Balance of account addresses miscoded as part of Broward County, which were addresses within the City.											

**City of Fort Lauderdale - Internal Audit Office
Analysis of Waste Management, Inc. Database Information**

SCHEDULE 2

Reference Number	Per WM Records Database									Per IA	
	Customer Id	Company	Customer Number	Tax Profile	Included by WM in City Corporate Limits	Cash Receipts	Cash Receipts Exclusive of Franchise Fee	Franchise Fee	Franchise Fee Paid	Franchise Fee Due	Over/(Underpaid) to City
30	C	237	35523	FT	Yes	280.00	239.32	40.68	40.68	-	40.68
31	C	237	35648	FT	Yes	9,131.59	7,804.78	1,326.81	1,326.81	-	1,326.81
32	C	237	35653	FT	Yes	6,504.00	5,558.97	945.03	945.03	-	945.03
33	C	237	36014	FT	Yes	310.93	265.75	45.18	45.18	-	45.18
34	C	237	36205	FT	Yes	1,512.70	1,292.91	219.79	219.79	-	219.79
35	C	237	36208	FT	Yes	13,426.20	11,475.38	1,950.82	1,950.82	-	1,950.82
36	C	237	36343	FT	Yes	2,424.65	2,072.35	352.30	352.30	-	352.30
37	C	237	36576	FT	Yes	745.14	636.87	108.27	108.27	-	108.27
38	C	237	36794	FT	Yes	7,946.97	6,792.28	1,154.69	1,154.69	-	1,154.69
39	C	237	36967	FT	Yes	4,659.11	3,982.15	676.96	676.96	-	676.96
40	C	237	37065	FT	Yes	8,503.20	7,267.69	1,235.51	1,235.51	-	1,235.51
41	C	237	37080	FT	Yes	2,309.81	1,974.20	335.61	335.61	-	335.61
42	C	237	37234	FT	Yes	-	-	-	-	-	-
43	C	237	37261	FT	Yes	203.98	174.34	29.64	29.64	-	29.64
44	C	237	37907	FT	Yes	4,929.51	4,213.26	716.25	716.25	-	716.25
45	C	237	37923	FT	Yes	-	-	-	-	-	-
46	C	237	38237	FT	Yes	2,092.58	1,788.53	304.05	304.05	-	304.05
47	C	237	38566	FT	Yes	6,575.40	5,620.00	955.40	955.40	-	955.40
48	C	237	38856	FT	Yes	200.82	171.64	29.18	29.18	-	29.18
49	C	237	38992	FT	Yes	1,642.44	1,403.79	238.65	238.65	-	238.65
50	C	237	39571	FT	Yes	2,769.71	2,367.27	402.44	402.44	-	402.44
51	C	237	39648	FT	Yes	2,375.58	2,030.41	345.17	345.17	-	345.17
52	C	237	39905	FT	Yes	1,418.52	1,212.41	206.11	206.11	-	206.11
53	C	237	39987	FT	Yes	3,722.53	3,181.65	540.88	540.88	-	540.88
54	C	237	40061	FT	Yes	2,758.51	2,357.70	400.81	400.81	-	400.81
55	C	237	40112	FT	Yes	14,439.79	12,341.70	2,098.09	2,098.09	-	2,098.09
56	C	237	40290	FT	Yes	1,213.81	1,037.44	176.37	176.37	-	176.37
57	C	237	41178	FT	Yes	-	-	-	-	-	-
58	C	237	41307	FT	Yes	158.95	135.85	23.10	23.10	-	23.10
59	C	237	41364	FT	Yes	4,320.59	3,692.81	627.78	627.78	-	627.78
60	C	237	41492	FT	Yes	348.60	297.95	50.65	50.65	-	50.65
61	C	237	41655	FT	Yes	-	-	-	-	-	-
62	C	237	42125	FT	Yes	4,514.18	3,858.27	655.91	655.91	-	655.91
63	C	237	42733	FT	Yes	3,838.04	3,280.38	557.66	557.66	-	557.66

**City of Fort Lauderdale - Internal Audit Office
Analysis of Waste Management, Inc. Database Information**

SCHEDULE 2

Reference Number	Per WM Records Database									Per IA	
	Customer Id	Company	Customer Number	Tax Profile	Included by WM in City Corporate Limits	Cash Receipts	Cash Receipts Exclusive of Franchise Fee	Franchise Fee	Franchise Fee Paid	Franchise Fee Due	Over/(Underpaid) to City
64	C	237	42865	FT	Yes	2,336.54	1,997.04	339.50	339.50	-	339.50
65	C	237	42964	FT	Yes	2,167.99	1,852.98	315.01	315.01	-	315.01
66	C	237	43371	FT	Yes	1,393.29	1,190.85	202.44	202.44	-	202.44
67	C	237	44045	FT	Yes	978.63	836.44	142.19	142.19	-	142.19
68	C	237	44487	FT	Yes	527.21	450.61	76.60	76.60	-	76.60
69	C	237	44489	FT	Yes	1,418.12	1,212.07	206.05	206.05	-	206.05
70	C	237	44719	FT	Yes	4,355.48	3,722.63	632.85	632.85	-	632.85
71	C	237	45712	FT	Yes	2,107.55	1,801.32	306.23	306.23	-	306.23
72	C	237	45812	FT	Yes	475.12	406.09	69.03	69.03	-	69.03
73	C	237	46433	FT	Yes	685.02	585.49	99.53	99.53	-	99.53
74	C	237	46446	FT	Yes	-	-	-	-	-	-
75	C	237	46494	FT	Yes	707.39	604.61	102.78	102.78	-	102.78
76	C	237	46541	FT	Yes	317.50	271.37	46.13	46.13	-	46.13
77	C	237	46605	FT	Yes	255.17	218.09	37.08	37.08	-	37.08
78	C	237	46805	FT	Yes	248.66	212.53	36.13	36.13	-	36.13
79	C	237	47129	FT	Yes	406.15	347.14	59.01	59.01	-	59.01
80	C	237	47130	FT	Yes	686.52	586.77	99.75	99.75	-	99.75
81	C	237	47132	FT	Yes	1,872.04	1,600.03	272.01	272.01	-	272.01
82	C	237	47133	FT	Yes	1,205.60	1,030.43	175.17	175.17	-	175.17
83	C	237	47190	FT	Yes	188.15	160.81	27.34	27.34	-	27.34
84	O	237	39929	FT	Yes	2,534.30	2,166.07	368.23	368.23	-	368.23
85	O	237	41638	FT	Yes	9,409.88	8,042.63	1,367.25	1,367.25	-	1,367.25
86	O	237	44746	FT	Yes	4,989.49	4,264.52	724.97	724.97	-	724.97
87	C	237	31885	FT	Yes	5,608.83	4,793.87	814.96	814.96	-	814.96
88	C	237	5699	FT	Yes	259.95	222.18	37.77	37.77	-	37.77
89	C	237	139	FT	Yes	1,466.20	1,253.16	213.04	213.04	-	213.04
90	C	237	37188	FT	Yes	455.34	389.18	66.16	66.16	-	66.16
91	C	237	38113	FT	Yes	3,429.52	2,931.21	498.31	498.31	-	498.31
					OVERPAID	\$ 645,747.04	\$ 551,920.55	\$ 93,826.49	\$ 93,826.49	\$ -	\$ 93,826.49
Site in City not Included in Franchise Fees Paid											
92	C	237	2370	BR	No	\$ 10,114.91	\$ 8,645.22	\$ 1,469.69	\$ -	\$ 1,469.69	\$ (1,469.69)
93	C	237	4143	BR	No	31,905.92	27,270.02	4,635.90	-	4,635.90	(4,635.90)
94	C	237	4148	BR	No	20,492.18	17,514.68	2,977.50	-	2,977.50	(2,977.50)

**City of Fort Lauderdale - Internal Audit Office
Analysis of Waste Management, Inc. Database Information**

SCHEDULE 2

Reference Number	Per WM Records Database									Per IA	
	Customer Id	Company	Customer Number	Tax Profile	Included by WM in City Corporate Limits	Cash Receipts	Cash Receipts Exclusive of Franchise Fee	Franchise Fee	Franchise Fee Paid	Franchise Fee Due	Over/(Underpaid) to City
95	C	237	4149	BR	No	19,561.42	16,719.16	2,842.26	-	2,842.26	(2,842.26)
96	C	237	5229	BR	No	58,102.84	49,660.55	8,442.29	-	8,442.29	(8,442.29)
97	C	237	5637	BR	No	7,703.32	6,584.03	1,119.29	-	1,119.29	(1,119.29)
98	C	237	5688	BR	No	-	-	-	-	-	-
99	C	237	5695	BR	No	4,964.74	4,243.37	721.37	-	721.37	(721.37)
100	C	237	7463	BR	No	22,805.27	19,491.68	3,313.59	-	3,313.59	(3,313.59)
101	C	237	9408	BR	No	7,606.80	6,501.54	1,105.26	-	1,105.26	(1,105.26)
102	C	237	10845	BR	No	9,365.37	8,004.59	1,360.78	-	1,360.78	(1,360.78)
103	C	237	11962	BR	No	5,604.80	4,790.43	814.37	-	814.37	(814.37)
104	C	237	14228	BR	No	27,817.65	23,775.77	4,041.88	-	4,041.88	(4,041.88)
105	C	237	20429	BR	No	144,267.46	123,305.52	20,961.94	-	20,961.94	(20,961.94)
106	C	237	22893	RE	No	-	-	-	-	-	-
107	C	237	40547	BR	No	15,892.05	13,582.95	2,309.10	-	2,309.10	(2,309.10)
108	C	237	43665	LL	No	1,372.95	1,173.46	199.49	-	199.49	(199.49)
109	C	237	46754	BR	No	-	-	-	-	-	-
110	C	550	2750	BR	No	519.75	444.23	75.52	-	75.52	(75.52)
111	C	550	4193	BR	No	609.84	521.23	88.61	-	88.61	(88.61)
112	C	550	5391	BR	No	2,166.78	1,851.95	314.83	-	314.83	(314.83)
113	C	550	6081	BR	No	800.16	683.90	116.26	-	116.26	(116.26)
114	O	237	7453	OP	No	52,473.75	44,849.36	7,624.39	-	7,624.39	(7,624.39)
115	O	237	28341	DN	No	1,181.40	1,009.74	171.66	-	171.66	(171.66)
116	O	550	7043	DN	No	1,710.00	1,461.54	248.46	-	248.46	(248.46)
117	O	550	7618	OP	No	1,080.00	923.08	156.92	-	156.92	(156.92)
				DUE TO		\$ 448,119.36	\$ 383,008.00	\$ 65,111.36	\$ -	\$ 65,111.36	\$ (65,111.36)
				TOTAL		\$ 1,093,866.40	\$ 934,928.55	\$ 158,937.85	\$ 93,826.49	\$ 65,111.36	\$ 28,715.13

**City of Fort Lauderdale - Internal Audit Office
Analysis of Detail Franchise Fee Reports**

SCHEDULE 3

Per Detail Cash Receipts Reports				Per IA			
#	Date	Gross Receipts (exclusive of Tax)	Franchise Fee Due	Franchise Fee Paid to City per FAMIS	Difference	Payment Due (Overpaid) to the City	Remarks
1	Oct-01	\$ 34,005.54	\$ 5,780.94	\$ 5,780.94	\$ 0.00	\$ 0.00	
2	Nov-01	28,731.40	4,884.34	4,884.34	(0.00)	(0.00)	
3	Dec-01	29,909.50	5,084.62	5,084.62	(0.00)	(0.00)	
4	Jan-02	44,600.16	7,582.03	7,582.03	(0.00)	(0.00)	
5	Feb-02	25,454.68	4,327.30	4,327.29	0.01	0.01	
6	Mar-02	35,157.16	5,976.72	5,958.86	17.86	17.86	excluded 1 account
7	Apr-02	35,838.71	6,092.58	6,074.73	17.85	17.85	excluded 1 account
8	May-02	31,891.31	5,421.52	5,421.52	0.00	0.00	
9	Jun-02	28,161.63	4,787.48	4,787.48	(0.00)	(0.00)	
10	Jul-02	36,504.64	6,205.79	6,205.79	(0.00)	(0.00)	
11	Aug-02	32,905.34	5,593.91	5,593.90	0.01	0.01	
12	Sep-02	36,296.21	6,170.36	6,170.36	(0.00)	(0.00)	
13	Oct-02	38,133.59	6,482.71	6,482.71	0.00	0.00	
14	Nov-02	31,273.05	5,316.42	5,316.41	0.01	0.01	
15	Dec-02	25,921.93	4,406.73	4,406.72	0.01	0.01	
16	Jan-03	45,035.49	7,656.03	7,656.03	0.00	0.00	
17	Feb-03	30,437.61	5,174.39	5,174.39	0.00	0.00	
18	Mar-03	37,571.38	6,387.13	6,387.13	0.00	0.00	
19	Apr-03	35,566.15	6,046.25	6,046.25	(0.00)	(0.00)	
20	May-03	35,923.66	6,107.02	6,107.02	0.00	0.00	
21	Jun-03	39,069.71	6,641.85	6,641.90	(0.05)	(0.05)	
22	Jul-03	36,026.81	6,124.56	6,124.56	(0.00)	(0.00)	
23	Aug-03	35,974.52	6,115.67	6,088.87	26.80	26.80	incorrect gross bill
24	Sep-03	34,500.01	5,865.00	5,865.00	0.00	0.00	
25	Oct-03	44,816.94	7,618.88	7,618.88	(0.00)	(0.00)	
26	Nov-03	33,107.42	5,628.26	5,628.27	(0.01)	(0.01)	
27	Dec-03	41,491.51	7,053.56	7,053.56	(0.00)	(0.00)	
	Totals	\$ 944,306.06	\$ 160,532.03	\$ 160,469.56	\$ 62.47	\$ 62.47	
Legend:							
	Identified Franchise Fees Due (overpaid) to the City						
	Per Public Waste Services' Detail Cash Receipts Reports						
	Per Internal Audit Computations						

FRANCHISE FEE REPORT for:

Name of Company: _____

Statement for the Month of: _____

Gross Billing and Receipts should not include taxes, payments from commercial enterprises for source separated recycling services, income from the lease of compactors or other permanently installed waste processing equipment, and City franchise fees. Franchise fees are 17.0% of the total gross receipts for the month. A penalty of 1.0% per month calculated daily on the unpaid balance of usage fees past due will be assessed. The minimum penalty assessed will be \$25.00.

	CURRENT MONTH	CURRENT YTD
TOTAL GROSS BILLING:	_____	_____
TOTAL GROSS RECEIPTS:	_____	_____
GROSS RECEIPTS ADJUSTMENTS:¹	_____	_____
ADJUSTED GROSS RECEIPTS:	_____	_____
TOTAL FRANCHISE FEES DUE:	_____	_____

I acknowledge that, to the best of my knowledge, the foregoing is an accurate and true statement of the gross billing, gross receipts, and franchise fees due the City of Fort Lauderdale for the month of this statement.

By (Print Name) : _____

Signature : _____

Title: _____

NOTARY PUBLIC (Required only on year-end September Report)

The above named officer of the company providing this statement appeared before me on the _____ day of _____, 20____, and acknowledged that the information provided is true and accurate to the best of his or her knowledge.

NOTARY PUBLIC, State of Florida

¹ Provide Basis for Gross Receipt Adjustment and explanation.