



**Internal Audit Committee of  
Brevard County, Florida**

**Internal Audit of  
Solid Waste Management CIP Funding**



CRI ADVISORS, LLC

**Prepared By:  
Internal Auditors**

## Table of Contents

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Transmittal Letter .....	1
Executive Summary .....	2
Background .....	4
Objectives and Approach .....	10
Observations Matrix .....	12



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November 5, 2025

The Audit Committee of  
Brevard County, Florida  
2700 Judge Fran Jamieson Way  
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Pursuant to the approved 2024/2025 internal audit plan, we hereby submit our internal audit of the Solid Waste Management funding associated with three Construction Improvement Plan ("CIP") projects. We will be presenting this report to the Audit Committee at the next scheduled meeting on November 19, 2025.

Our report is organized in the following sections:

<b>Executive Summary</b>	This provides an overview, the objectives, approach and results summary.
<b>Background</b>	This provides background information about the funding and three associated CIP projects including select financial statistics.
<b>Objectives and Approach</b>	The internal audit objectives and focus are expanded upon in this section as well as a review of our approach.
<b>Observations Matrix</b>	This section provides the results of our internal audit procedures, including our recommended actions and management responses.

We would like to thank all those involved in assisting the Internal Auditors in connection with the internal audit of the Solid Waste Management CIP funding assessment for the three associated CIP projects.

Respectfully Submitted,

*CRI Advisors, LLC*

**INTERNAL AUDITORS**

# Executive Summary

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## Overview

The projects below will be partially financed or refinanced with all or a portion of the proceeds of the Series 2023 Bonds. Such projects may be amended or supplemented from time to time by the County:

- US-192 South Disposal Facility – a new solid waste management facility in south Brevard County.
- Titusville Transfer Station – new construction to replace an aging receiving building.
- Central Disposal Facility – planned 185-acre expansion of the Central Disposal Facility.

Based on Solid Waste Management’s financial plan, the department needed additional funding in FY2023-2024 to partially fund the above projects. In consultation with the County Manager and its Financial Advisor, it was determined to be more cost-effective to secure a short-term commercial paper loan, until the municipal bond market rates decline.

## Objectives

The objective is to assess the status and reasonableness of the County’s plan for determining the future Solid Waste Revenue Bonds to fund the above projects, and to review the significant costs and requirements that have occurred or estimated to occur for CIP outside the annual audit review period ended (9/30/2024) to maintain coverage (funding for the CIP projects noted below) including compliance with the bond documents.

## Approach

We interviewed key members of Solid Waste Management and obtained and reviewed relevant documents including engineering studies, cost estimates, design and engineering contracts, construction contracts, payment applications, purchase orders, budgets, reconciliations, documented management’s monitoring procedures and performed sample substantive testing, reconciliations, and assessments in the following areas: Oversight/Monitoring, Capital Expenditures, Project Status, Project Funding and Bond Compliance.

## Results Summary

Oversight and Monitoring - Obtained and reviewed the Solid Waste Management plan and related monitoring procedures, documents, schedules, engineering study, financial plan, that Solid Waste Management utilized to determine the adequacy of future bond revenue to partially fund the Construction Improvement Plan projects. Solid Waste Management indicated that the department utilized historical population growth, consumer price index for solid waste to estimate revenue growth and historical consumer price index for operating and engineering estimates for capital projects. However, management did not formally document the specific procedures/steps utilized in performing their assessment. See **Observation 1**.

Capital Expenditures and Bond Compliance - Tested 70 expenditures related to the above three projects representing over 90% of the total expenditures for the scoping period (October 1, 2024 – May 31, 2025) noting the expenditures were properly approved, supported and allowable under the bond agreements without exception.

Project Status - obtained and reviewed the original and updated project schedules, obtained most recent payment applications and reconciled to contractor invoices and project records without exception.

## Executive Summary

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Project Funding - Obtained management's financial plan, and agreed the contracted amounts to the respective contracts, as applicable. Management determined the projected funding based on the contracted amounts plus the estimated costs from the engineer's cost estimate related to Central Disposal Facility South Parcel Landfill – Cell 3 (Class I) Construction. The contracted amounts and the engineer's cost estimate agreed and reconciled to Solid Waste CIP Funding Needs summary in in the financial plan. Total Short-Term Loan Need for CIP Funding identified at the time of testing by Solid Waste Management was \$33.3 million for the three projects. Compared these estimated costs with budget forecasts prepared by management to identify potential funding gaps and assess the reasonableness of estimates. No funding gaps were identified, and the estimates appeared reasonable.

### Observations

Observation ratings are a subjective evaluation of the severity of the concern and the potential impact on the operations. An observation rating of "High" represents an issue of immediate concern and could cause significant operational issues if not addressed soon. A "Moderate" rating is an issue that may also cause operational issues and does not require immediate attention but should be addressed as soon as possible. Observations given a "Low" rating could escalate into operational issues but can be addressed through the normal course of conducting business.

The following is a summary of observation noted.

Ratings by Observation	Risk Rating
<b>1. Oversight and Monitoring</b> – Solid Waste Management indicated that the department utilized historical population growth, consumer price index for solid waste to estimate revenue growth and historical consumer price index for operating and engineering estimates for capital projects. However, Solid Waste Management did not formally document the methodology and procedures that management utilized to develop the financial plan in determining the short-term capital and long-term capital funding needs for the three projects described in the Overview above.	<b>Low</b>

# Background

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## Overview

The Solid Waste Management Department is allocating Series 2023 Bonds for the funding of the following projects:

- US-192 South Disposal Facility – a new solid waste management facility in south Brevard County area. The construction of the US192 South Disposal Facility, a 28+ acre lined Class III disposal cell and support facilities including truck scales and scale house, on-site access roads, leachate collection, transmission and storage tanks with tanker loading, and a small employee quarters/operations office building. The Construction period was planned for FY2024 – FY2026 with the facility to be certified by the Florida Department of Environmental Protection (FDEP) to operate as a solid waste disposal facility in 2027. The construction schedule will be re-evaluated during the CIP funding analysis that will be conducted later in FY2026. Series 2023 bonds were utilized for design, permitting, and a portion of the Phase I construction and engineering oversight costs.
- Titusville Transfer Station – new construction to replace an aging receiving building, improve the on-site roads and traffic safety controls, and expansion of the facility to combine with the adjacent Mockingbird Way Yard Waste Mulching Facility. Engineering plans and permitting have been completed and the County has entered a contract for construction, which is ongoing and anticipated to be completed in April 2026. Series 2023 bonds were utilized to fund a portion of the project construction and all engineering oversight.
- Central Disposal Facility – a 185-acre expansion of the Central Disposal Facility near Cocoa, Florida. The South Landfill expansion consists of Class I Cells 1 through 5. Currently, construction permitting has been approved for Cells 3, 4, and 5 and construction of Cell 3, a 53-acre expansion cell, is anticipated to begin in early 2026. Series 2023 bonds were utilized to fund the design and construction permitting of Cells 3, 4, and 5.

Based on Solid Waste Management’s financial plan, the department needed additional funding in FY2023-2024 to partially fund the above projects. In consultation with the County Manager and its Financial Advisor, it was determined to be more cost-effective to secure a short-term commercial paper loan, until the municipal bond market rates decline.

Additionally, county management indicated that the department utilized historical population growth, consumer price index for solid waste to estimate revenue growth and historical consumer price index for operating expenses and engineering estimates for capital project funding.



## Background - continued

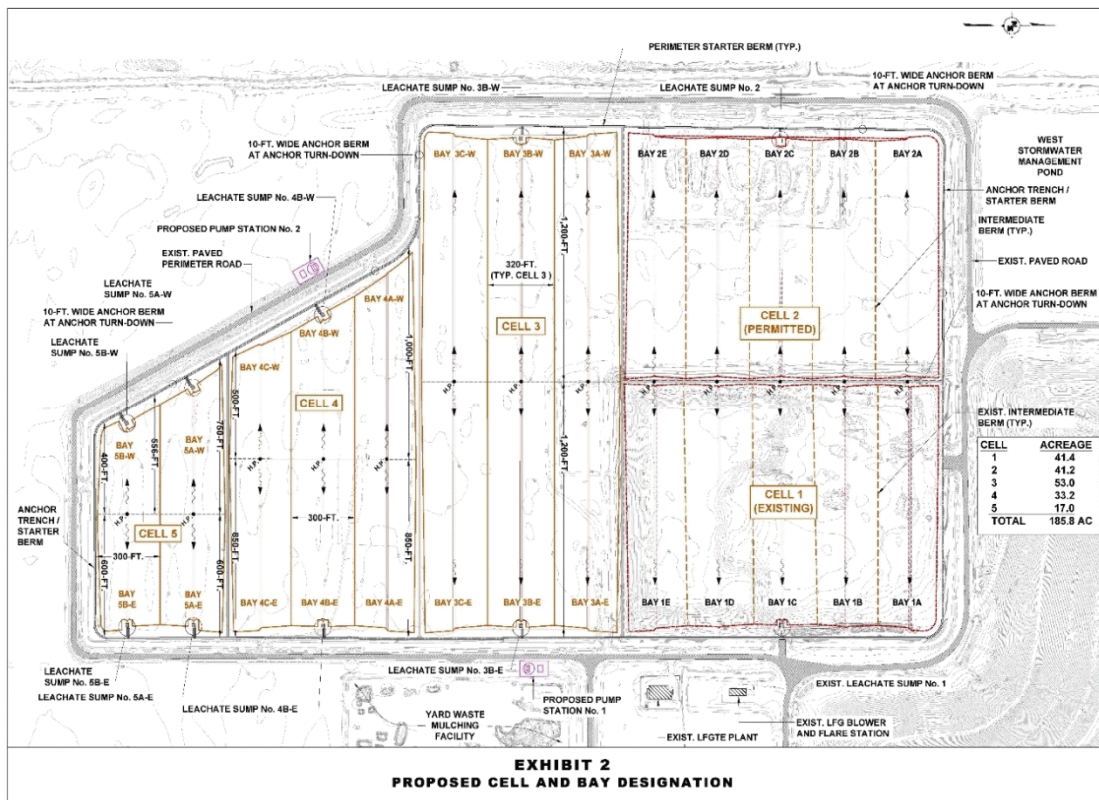
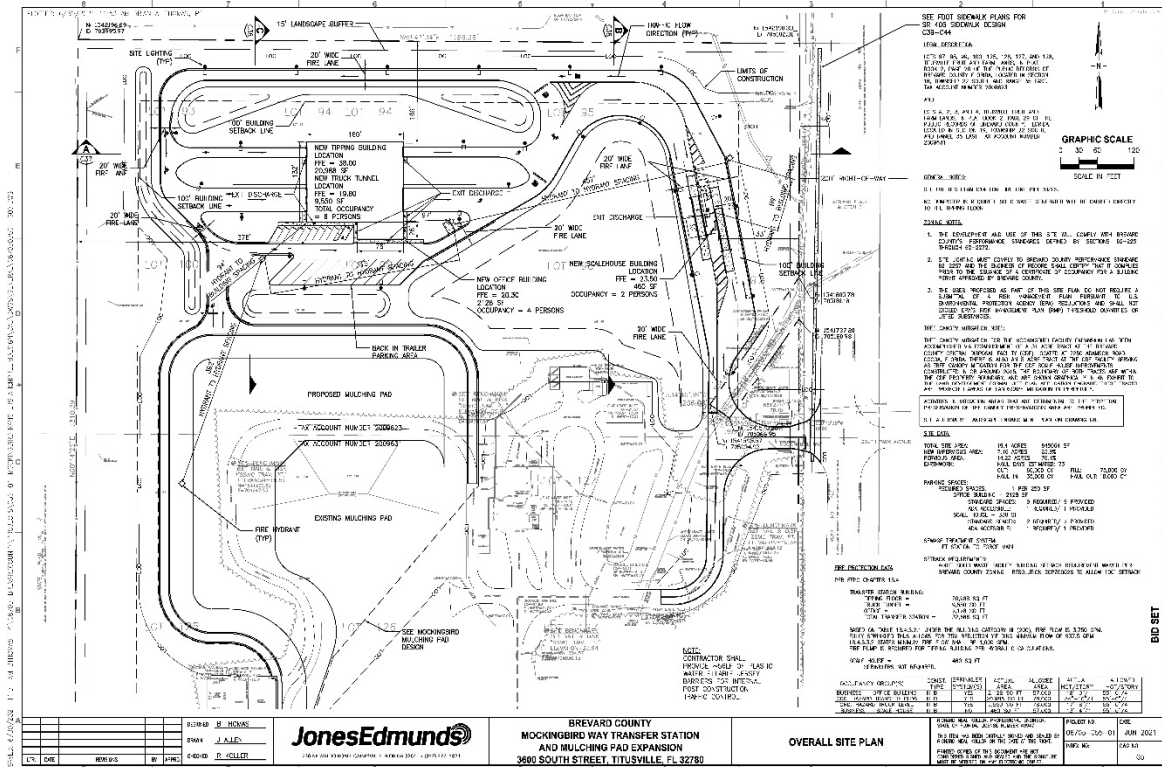
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US-192 SOLID WASTE  
MANAGEMENT FACILITY  
AUGUST 2025



## Background - continued





# Background - continued

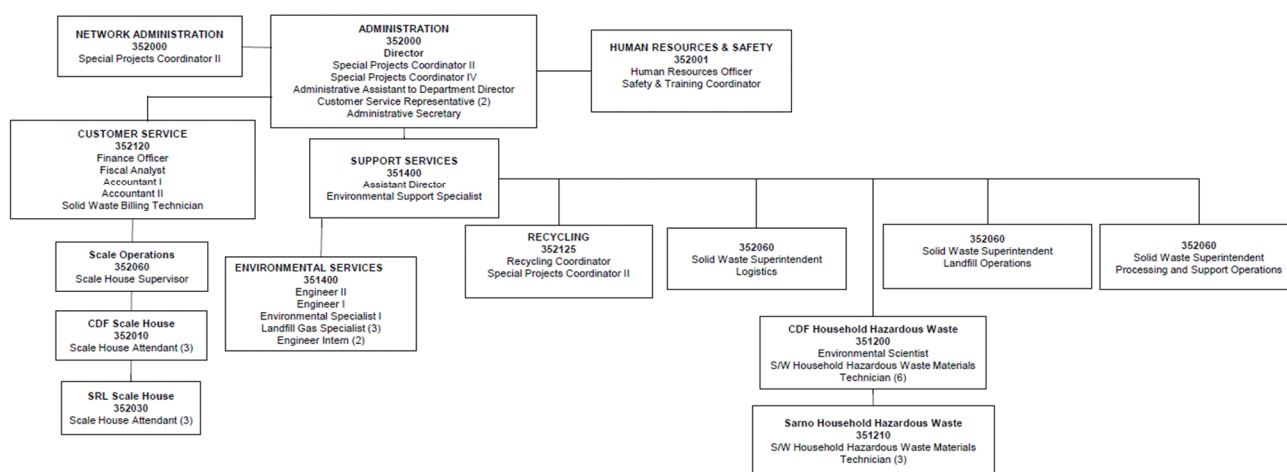
## Organization & Staffing

Key personnel from Solid Waste Management that are involved in the operations and assisted in the internal audit are as follows:

Name	Title
Thomas Mulligan	Director
Tiffany Filing	Finance Officer

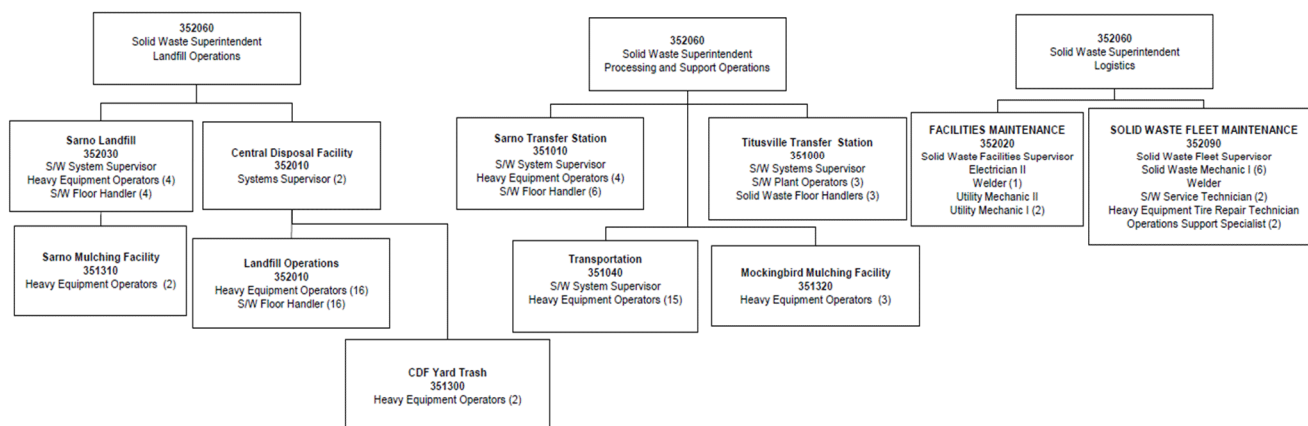
### SOLID WASTE MANAGEMENT DEPARTMENT Fiscal Year 2025

Page 1 of 2



### SOLID WASTE MANAGEMENT DEPARTMENT Fiscal Year 2025

Page 2 of 2



154 Employee Positions.

## Background - continued

### Select Statistics – (Source: Operating and Capital Budget Proposed FY 2025-2026)

#### Solid Waste Management Department

#### Summary

Solid Waste Management Department Revenue & Expense Category	Actual FY 2023-2024	Current Budget FY 2024-2025	Proposed Budget FY 2025-2026	Difference	% Change
Taxes Revenue	\$-	\$-	\$-	\$-	-%
Permits, Fees & Special Assessment Revenue	\$1,205,702	\$900,000	\$900,000	\$-	-%
Intergovernmental Revenue	\$58,704	\$-	\$1,500,000	\$1,500,000	-%
Charges for Services Revenue	\$56,930,814	\$60,895,631	\$65,582,906	\$4,687,275	7.70%
Fines and Forfeits Revenue	\$-	\$-	\$-	\$-	-%
Miscellaneous Revenue	\$5,898,312	\$2,057,350	\$2,505,790	\$448,440	21.80%
Statutory Reduction	\$-	\$(3,192,648)	\$(3,524,435)	\$(331,787)	10.39%
<b>Total Operating Revenues</b>	<b>\$64,093,532</b>	<b>\$60,660,333</b>	<b>\$66,964,261</b>	<b>\$6,303,928</b>	<b>10.39%</b>
Balance Forward Revenue	\$103,270,547	\$93,586,019	\$100,446,859	\$6,860,840	7.33%
Transfers - General Revenue	\$-	\$-	\$-	\$-	-%
Transfers - Other Revenue	\$(0)	\$-	\$-	\$-	-%
Other Finance Source Revenue	\$-	\$-	\$-	\$-	-%
<b>Total Non-Operating Revenues</b>	<b>\$103,270,547</b>	<b>\$93,586,019</b>	<b>\$100,446,859</b>	<b>\$6,860,840</b>	<b>7.33%</b>
<b>Total Revenues</b>	<b>\$167,364,079</b>	<b>\$154,246,352</b>	<b>\$167,411,120</b>	<b>\$13,164,768</b>	<b>8.53%</b>
Compensation and Benefits Expense	\$10,504,747	\$12,561,609	\$13,827,078	\$1,265,469	10.07%
Operating Expense	\$35,547,019	\$41,249,838	\$46,899,462	\$5,649,624	13.70%
Capital Outlay Expense	\$5,068,970	\$7,974,424	\$6,807,458	\$(1,166,966)	(14.63%)
<b>Operating Expenditures</b>	<b>\$51,120,736</b>	<b>\$61,785,871</b>	<b>\$67,533,998</b>	<b>\$5,748,127</b>	<b>9.30%</b>
C I P Expense	\$3,414,516	\$39,845,551	\$38,318,185	\$(1,527,366)	(3.83%)
Debt Service Expense	\$3,349,538	\$3,674,198	\$5,037,123	\$1,362,925	37.09%
Reserves-Operating Expense	\$-	\$1,553,910	\$11,332,994	\$9,779,084	629.32%
Reserves - Capital Expense	\$-	\$6,435,547	\$2,057,887	\$(4,377,660)	(68.02%)
Reserves - Restricted Expense	\$-	\$39,183,185	\$41,305,957	\$2,122,772	5.42%
Grants and Aid Expense	\$-	\$-	\$-	\$-	-%
Transfers Expense	\$1,662,748	\$1,768,090	\$1,824,976	\$56,886	3.22%
<b>Total Non-Operating Expenses</b>	<b>\$8,426,801</b>	<b>\$92,460,481</b>	<b>\$99,877,122</b>	<b>\$7,416,641</b>	<b>8.02%</b>
<b>Total Expenditures</b>	<b>\$59,547,538</b>	<b>\$154,246,352</b>	<b>\$167,411,120</b>	<b>\$13,164,768</b>	<b>8.53%</b>

Source: Brevard County Operating and Capital Budget Proposed FY 2025-2026

## Background - continued

### Solid Waste Management Department

#### Disposal

Disposal Program Revenue & Expense Category	Actual FY 2023-2024	Current Budget FY 2024-2025	Proposed Budget FY 2025-2026	Difference	% Change
Taxes Revenue	\$-	\$-	\$-	\$-	-%
Permits, Fees & Special Assessment Revenue	\$1,205,702	\$900,000	\$900,000	\$-	-%
Intergovernmental Revenue	\$1,656	\$-	\$-	\$-	-%
Charges for Services Revenue	\$35,203,744	\$37,693,739	\$41,876,894	\$4,183,155	11.10%
Fines and Forfeits Revenue	\$-	\$-	\$-	\$-	-%
Miscellaneous Revenue	\$5,118,389	\$1,714,714	\$1,913,790	\$199,076	11.61%
Statutory Reduction	\$-	\$(2,015,422)	\$(2,234,534)	\$(219,112)	10.87%
<b>Total Operating Revenues</b>	<b>\$41,529,491</b>	<b>\$38,293,031</b>	<b>\$42,456,150</b>	<b>\$4,163,119</b>	<b>10.87%</b>
Balance Forward Revenue	\$99,997,756	\$91,042,371	\$96,470,558	\$5,428,187	5.96%
Transfers - General Revenue	\$-	\$-	\$-	\$-	-%
Transfers - Other Revenue	\$(0)	\$-	\$-	\$-	-%
Other Finance Source Revenue	\$-	\$-	\$-	\$-	-%
<b>Non-Operating Revenues</b>	<b>\$99,997,756</b>	<b>\$91,042,371</b>	<b>\$96,470,558</b>	<b>\$5,428,187</b>	<b>5.96%</b>
<b>Total Revenues</b>	<b>\$141,527,247</b>	<b>\$129,335,402</b>	<b>\$138,926,708</b>	<b>\$9,591,306</b>	<b>7.42%</b>
Compensation and Benefits Expense	\$10,504,747	\$12,561,609	\$13,827,078	\$1,265,469	10.07%
Operating Expense	\$14,060,090	\$17,973,469	\$21,696,813	\$3,723,344	20.72%
Capital Outlay Expense	\$5,068,970	\$7,974,424	\$6,807,458	\$(1,166,966)	(14.63%)
<b>Operating Expenses</b>	<b>\$29,633,807</b>	<b>\$38,509,502</b>	<b>\$42,331,349</b>	<b>\$3,821,847</b>	<b>9.92%</b>
C I P Expense	\$3,414,516	\$39,845,551	\$38,318,185	\$(1,527,366)	(3.83%)
Debt Service Expense	\$3,349,538	\$3,674,198	\$5,037,123	\$1,362,925	37.09%
Reserves-Operating Expense	\$-	\$260,490	\$8,359,244	\$8,098,754	3109.05%
Reserves - Capital Expense	\$-	\$6,435,547	\$2,057,887	\$(4,377,660)	(68.02%)
Reserves - Restricted Expense	\$-	\$39,183,185	\$41,305,957	\$2,122,772	5.42%
Grants and Aid Expense	\$-	\$-	\$-	\$-	-%
Transfers Expense	\$1,317,984	\$1,426,929	\$1,516,963	\$90,034	6.31%
<b>Non-Operating Expenses</b>	<b>\$8,082,038</b>	<b>\$90,825,900</b>	<b>\$96,595,359</b>	<b>\$5,769,459</b>	<b>6.35%</b>
<b>Total Expenses</b>	<b>\$37,715,845</b>	<b>\$129,335,402</b>	<b>\$138,926,708</b>	<b>\$9,591,306</b>	<b>7.42%</b>

Budget Variance – CIP Expense \$(1,527,366); (3.83%): FY25 projects are underway and the borrowed \$54M is projected to be spent; however, to complete the FY25 projects and start new construction on other projects, will borrow \$34M at the end of FY25.

Source: Brevard County Operating and Capital Budget Proposed FY 2025-2026

# Objectives and Approach

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## Objectives

The objective is to assess the status and reasonableness of the County's plan for determining the future Solid Waste Revenue Bonds to fund the above projects, and to review the significant costs and requirements that have occurred or estimated to occur for CIP outside the annual audit review period ended (9/30/2024) to maintain coverage (funding for the CIP projects noted below) including compliance with the bond documents.

## Approach

Our approach consisted of three phases:

### **Understanding and Documentation of the Process**

During the first phase, we held an entrance conference with key personnel of Solid Waste Management to discuss the scope and objectives of the internal audit work, obtain preliminary data, and establish working arrangements. We obtained and reviewed relevant documents including engineering studies, cost estimates, design and engineering contracts, construction contracts, payment applications, purchase orders, budgets, reconciliations, etc. We interviewed key members of Solid Waste Management and updated our understanding of the processes and relevant monitoring controls.

### **Detailed Testing**

The purpose of this phase was performance of testing procedures based on our understanding of the projects and monitoring procedures to meet the objectives stated above. Our procedures included inquiry, walkthrough and testing of individual transactions and assessments in the areas detailed below.

### **Oversight and Monitoring**

Obtained and reviewed Solid Waste Management's financial plan and related monitoring procedures, documents, schedules, engineering study, etc. that Solid Waste Management utilized to determine the adequacy of future bond revenue to partially fund the CIP projects noted below.

### **CIP Expenditures / Bond Compliance**

Obtained a CIP Expenditure (detailed significant costs for CIP projects) incurred from October 1, 2024, to May 31, 2025, per project (Titusville Transfer Station, US-192 South Disposal Facility, & Central Disposal Facility Expansion), selected 70 expenditures and performed the following:

- Vouched the cost incurred to the invoices, support, and payment approvals.
- Verified that the expenditure was approved/received by the Solid Waste Management Department.
- Verified that the expenditure complies with terms outlined in bond documents, focusing on allowable costs and timing.

**Note:** We tested over 90% of the expenditures for the three projects for October 1, 2024 to May 31, 2025.



# Objectives and Approach

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## ***Project Status***

Obtained the original and updated project schedules, finding plans, and actual expenditures report for the Titusville Transfer Station, US-192 South Disposal Facility, and Central Disposal Facility Expansion as of May 31, 2025.

- Analyzed whether the expenditure to date aligns with the actual completion percentages and determines cost efficiency or scope changes involved.
- Checked if delays push expenditures beyond the period of usage designated in the bond documents.
- Reconciled the most recent payment application (including amounts for Original Contract, Current Contract, Total Work Completed to Date, Balance, and Percent Complete) to contractor invoices and project records.

## ***Project Funding***

Obtained the Solid Waste financial plan, Engineer's Cost Estimate and performed the following:

- Agreed/Reconciled each of the amounts listed to the supporting documentation (i.e. contracts, purchase orders, engineer cost estimates, etc.).
- Verified that the county's forecast/estimations prepared by the county's finance department or external consultant aligns with the project actual cost.
- Compared estimated future costs with budget forecasts to identify potential funding gaps and assess the reasonableness of estimates.

## **Reporting**

At the conclusion of our procedures, we summarized our observations into this written report. We conducted an exit conference with management and have incorporated management's responses into our report. We prepared our report and related observations and provided copies to appropriate County personnel.

# Observations Matrix

1. Oversight and Monitoring	Low
<p><b><u>Observation</u></b></p> <p>Solid Waste Management indicated that the department utilized historical population growth, consumer price index for solid waste to estimate revenue growth and historical consumer price index for operating and engineering estimates for capital projects.</p> <p>However, Solid Waste Management did not document the methodology and procedures utilized to develop the financial plan in determining the short-term and long-term capital funding needs for the three projects described in the Executive Summary and Background sections above: Titusville Transfer Station, US-192 South Disposal Facility, &amp; Central Disposal Facility Expansion.</p>	
<p><b><u>Recommended Action</u></b></p> <p>We recommend that Solid Waste Management document the methodology and procedures utilized to develop the financial plan in determining the short-term and long-term capital funding needs for the three projects: Titusville Transfer Station, US-192 South Disposal Facility, &amp; Central Disposal Facility Expansion.</p>	
<p><b><u>Management Response</u></b></p> <p>The Solid Waste Management Department agrees and has provided our documented methodology that explains all data and assumptions utilized to create the financial plan.</p> <p><b>Responsible party:</b> Thomas Mulligan, Solid Waste Management Department Director</p> <p><b>Estimated completion date:</b> Completed: November 10, 2025</p>	
<p><b><u>Follow-up:</u></b></p> <p>We obtained and reviewed the procedures and methodology documented by management that were utilized to develop the financial plan in determining the short-term capital and long-term capital funding needs for the three projects described in the Overview above without exception.</p> <p>This item is considered closed.</p>	