

Broward County, Florida Transportation Surtax Program

Financial Statements
Year Ended September 30, 2024

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RSM US LLP

Independent Auditor's Report

Honorable Board of County Commissioners
Broward County, Florida

Opinions

We have audited the financial statements of the Transportation Surtax Fund and the Transportation Surtax Capital Fund, governmental funds of Broward County, Florida (County), as of and for the year ended September 30, 2024, and the related notes to the financial statements, as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the Transportation Surtax Fund and the Transportation Surtax Capital Fund, governmental funds of the County, as of September 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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 Financial Statements 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 opinions.

Emphasis of Matter

As discussed in Note 1, the financial statements present only the Transportation Surtax Fund and the Surtax Capital Fund and do not purport to, and do not, present fairly the financial position of Broward County, Florida as of September 30, 2024, the changes in its financial position, or, where applicable, its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. 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 financial statements.

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 financial statements, 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 financial statements.
- 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 financial statements.

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.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Budgetary comparison schedule – Transportation Surtax Fund be presented to supplement the financial statements. Such information is the responsibility of management and, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the financial statements. Such missing information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. Our opinions on the financial statements are not affected by this missing information.

Other Information

Management is responsible for the other information included in the financial statements. The other information comprises the Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual of the Transportation Surtax Capital Fund but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

RSM VS LLP

Fort Lauderdale, Florida
March 27, 2025

**Broward County, Florida
Transportation Surtax Funds**

**Balance Sheet
September 30, 2024
(in Thousands)**

	Transportation Surtax	Transportation Surtax Capital	Total Transportation Surtax Program
Assets			
Cash and cash equivalents	\$ 40,480	\$ 76,119	\$ 116,599
Investments	651,526	1,224,383	1,875,909
Interest receivable	3,842	8,841	12,683
Due from other governments	89,763	-	89,763
Total assets	\$ 785,611	\$ 1,309,343	\$ 2,094,954
Liabilities			
Accounts payable	\$ 27	\$ 11,157	\$ 11,184
Accrued liabilities	70	-	70
Due to other governments	3,584	-	3,584
Total Liabilities	3,681	11,157	14,838
Fund Balance			
Restricted for transportation surtax projects	781,930	1,298,186	2,080,116
Total liabilities and fund balance	\$ 785,611	\$ 1,309,343	\$ 2,094,954

See notes to financial statements.

Broward County, Florida
Transportation Surtax Funds

Statement of Revenues, Expenditures and Changes in Fund Balance
for the fiscal year ended September 30, 2024
(In Thousands)

	Transportation Surtax	Transportation Surtax Capital	Total Transportation Surtax Program
Revenues:			
Transportation surtax	\$ 536,157	\$ -	\$ 536,157
Miscellaneous	1,169	291	1,460
Interest income	32,338	27,780	60,118
Net increase in the fair value of investments	27,933	15,978	43,911
Net interest income and investment gain	60,271	43,758	104,029
Total Revenues	597,597	44,049	641,646
Expenditures:			
Current:			
Transportation	154,874	-	154,874
Capital outlay	-	60,675	60,675
Total Expenditures	154,874	60,675	215,549
Revenues over (under) expenditures	442,723	(16,626)	426,097
Other financing sources (uses):			
Transfers in	-	679,822	679,822
Transfers out	(679,822)	-	(679,822)
Total Other Financing Sources (Uses)	(679,822)	679,822	-
Net change in fund balance	(237,099)	663,196	426,097
Fund balance, beginning of year	1,019,029	634,990	1,654,019
Fund balance, end of year	\$ 781,930	\$ 1,298,186	\$ 2,080,116

See notes to financial statements.

**Broward County, Florida
Transportation Surtax Program**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies

The Broward County, Florida Transportation Surtax Fund (the Surtax Fund) was established on January 1, 2019, by Florida Statute Section 212.055, *Discretionary Sales Surtaxes* and by the Broward County, Florida (the County) Board of County Commissioners (BOCC) County Ordinance Section 31½ *Taxation, Article V Broward County Transportation Surtax* (the Ordinance), for the purpose of improving transportation in any incorporated or unincorporated area of the County. Transportation surtax proceeds shall be collected, applied, disbursed, and expended only for authorized transportation and transit purposes, in accordance with applicable law including, specifically, Florida Statute Section 212.054 Discretionary Sales Surtax and Section 212.055(1) Discretionary Sales Surtaxes, Florida Statutes.

In accordance with the Ordinance's Section 31½-75, an independent nine-member Oversight Board of Volunteer Professionals (the Board) was established and is responsible for reviewing projects for eligibility under Florida Statute Section 212.055(1)(d), monitoring revenues and expenditures, and offering transparency and accountability to the public. The Surtax Fund is a special revenue fund that accounts for expenditures and revenue received from a one percent transportation sales surtax, which is restricted to support transportation improvement projects within the County. The Transportation Surtax Capital Fund (the Surtax Capital Fund) is supported by a transfer from the Surtax Fund and was created to account for financial resources to be used for the acquisition and construction of major capital facilities.

A. Reporting Entity

The financial statements presented include the activity of the Transportation Surtax Program, which includes the Surtax Special Revenue Fund and the Surtax Capital Projects Fund. The financial statements are not intended to be a complete presentation under Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*. Therefore, the financial statements do not purport to, and do not, present fairly the financial position of the County as of September 30, 2024 and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America. The Surtax Fund and the Surtax Capital Fund are reported as major funds in the County's annual comprehensive financial report (ACFR). The County's 2024 ACFR includes all information required by GASB, is a complete presentation under GAAP and can be found on the County's website at <https://www.broward.org/Accounting/Pages/Reports.aspx>.

B. Basis of Presentation

These financial statements are fund financial statements that have been prepared in conformity with accounting principles generally accepted in the United States (GAAP) as applied to governmental funds. The GASB is the accepted standard-setting body for establishing governmental and financial reporting principles. The Surtax Fund's and the Surtax Capital Fund's significant accounting policies are described below. The financial statements were prepared in accordance with applicable GASB pronouncements.

C. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resource being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

**Broward County, Florida
Transportation Surtax Program**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The Surtax Fund and the Surtax Capital Fund consider revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Expenditures generally are recorded when a liability is incurred, however debt service expenditures, as well as expenditures related to compensated absences, pension costs, other post-employment benefit costs, and claims and judgements, are recorded only when payment is due.

The Surtax Fund is a special revenue fund that accounts for expenditures and revenue received from a one percent transportation sales surtax. The Surtax Capital Fund is a capital projects fund that accounts for the acquisition or construction of major capital facilities. The Surtax Capital Fund is funded primarily by transfers from the Surtax Fund. The fund balances are restricted to support transportation improvement projects within the County.

D. Assets, Liabilities and Fund Balance

Deposits and Investments

Cash and cash equivalents consist of cash on hand, demand deposits and investments with original maturities at time of purchase of three months or less. The Surtax Fund and the Surtax Capital Fund participate in the cash and investment pool maintained by the County. The Surtax Fund's and the Surtax Capital Fund's portion of the pool is presented as *cash and cash equivalents* and *investments* on the balance sheet as appropriate. All investments are carried at fair value. Please refer to the County's Annual Comprehensive Financial Report for all risk related disclosures.

Due From Other Governments

Due from other governments are amounts due from the State of Florida for surtaxes collected and not remitted as of year-end. All amounts are considered collectible and therefore no allowance is required.

Due To Other Governments

Due to other governments are amounts due to various municipalities for funding of surtax projects.

Fund Balance

The Surtax Fund and the Surtax Capital Fund report fund balance in classifications based on the extent to which it is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. The Surtax Fund and the Surtax Capital Fund balances are restricted due to the constraints imposed externally by laws or regulations of other governments, or by law through constitutional provisions or enabling legislation. The fund balances are restricted to support transportation improvement projects within the County.

**Broward County, Florida
Transportation Surtax Program**

Notes to Financial Statements

Note 1. Summary of Significant Accounting Policies (Continued)

Encumbrance accounting, under which purchase orders, contracts, and other commitments for expenditures are recorded to reflect the use of the applicable spending appropriations, is used by the County to control expenditures. All encumbrances in the Surtax Fund and the Surtax Capital Fund are classified as restricted fund balance at year end.

The County's encumbrance policy is for fiscal year end individual encumbrances exceeding \$500,000 to be considered significant encumbrances. Significant encumbrances as of September 30, 2024, are as follows (in thousands):

Project Name	Project Description	Balance
Intersection Improvements	Construction in progress	\$ 25,884
Adaptive Traffic Control Systems	Construction in progress	8,837
Sidewalks	Construction in progress	5,845
Electric Bus Infrastructure	Construction in progress	5,457
Paratransit Vehicles	Vehicle purchases	4,818
Fiber Optic Network	Construction in progress	3,809
Electric Buses	Vehicle purchases	3,189
Rapid Bus Infrastructure	Construction in progress	3,152
Copans Facility	Construction in progress	2,956
LRT Infrastructure	Construction in progress	2,556
Bridge	Construction in progress	1,750
Drainage Replacement	Construction in progress	1,654
Corridor Project Delivery	Construction in progress	1,570
Bike Lanes	Construction in progress	986
Bus Shelters	Construction in progress	670
Total Commitments		\$ 73,133

E. Revenues

Revenues consist of a 1% transportation sales surtax which is collected by the State of Florida and remitted to the County. Revenue is recognized when it is both measurable and available.

F. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditure during the reporting period. Actual results could differ from those estimates.

REQUIRED SUPPLEMENTARY INFORMATION

Broward County, Florida
Transportation Surtax Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Unaudited)
for the fiscal year ended September 30, 2024
(In Thousands)

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues:				
Transportation surtax	\$ 500,742	\$ 500,742	\$ 536,157	\$ 35,415
Miscellaneous	-	1,169	1,169	-
Interest income	-	-	32,338	32,338
Net increase in the fair value of investments	-	-	27,933	27,933
Net interest income and investment gain	-	-	60,271	60,271
Subtotal	500,742	501,911	597,597	95,686
Less 5% of anticipated revenue	(25,037)	(25,037)	-	25,037
Total Revenues	475,705	476,874	597,597	120,723
Expenditures:				
Current:				
Transportation	625,436	688,548	154,874	(533,674)
Total Expenditures	625,436	688,548	154,874	(533,674)
Revenues over (under) expenditures	(149,731)	(211,674)	442,723	654,397
Other financing sources (uses):				
Transfers out	(356,781)	(679,822)	(679,822)	-
Total Other Financing Sources (Uses)	(356,781)	(679,822)	(679,822)	-
Net change in fund balance	(506,512)	(891,496)	(237,099)	654,397
Fund balance, beginning of year	1,019,029	1,019,029	1,019,029	-
Fund balance, end of year	\$ 512,517	\$ 127,533	\$ 781,930	\$ 654,397

See accompanying notes to the schedule.

OTHER INFORMATION

Broward County, Florida
Transportation Surtax Capital Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual (Unaudited)
for the fiscal year ended September 30, 2024
(In Thousands)

	Budgeted Amounts			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	
Revenues:				
Federal grant	\$ 224,287	\$ 249,713	\$ -	\$ (249,713)
Miscellaneous	-	291	291	-
Interest income	-	-	27,780	27,780
Net increase in the fair value of investments	-	-	15,978	15,978
Net interest income and investment gain	-	-	43,758	43,758
Subtotal	224,287	250,004	44,049	(205,955)
Less 5% of anticipated revenue	-	-	-	-
Total Revenues	224,287	250,004	44,049	(205,955)
Expenditures:				
Current:				
Capital outlay	581,068	1,259,052	60,675	(1,198,377)
Total Expenditures	581,068	1,259,052	60,675	(1,198,377)
Revenues over (under) expenditures	(356,781)	(1,009,048)	(16,626)	992,422
Other financing sources (uses):				
Transfers in	356,781	679,822	679,822	-
Total Other Financing Sources (Uses)	356,781	679,822	679,822	-
Net change in fund balance	-	(329,226)	663,196	992,422
Fund balance, beginning of year	634,990	634,990	634,990	-
Fund balance, end of year	\$ 634,990	\$ 305,764	\$ 1,298,186	\$ 992,422

See accompanying note to the schedule.

Broward County, Florida
Transportation Surtax
Program

Note to Budgetary Comparison Schedule
For the Fiscal Year Ended September 30, 2024

Note 1. Budgetary Information

The County prepares an annual operating budget for the Surtax Fund which is reflected in these financial statements. The County's budgeting process is based on estimates of revenues and expenditures and requires that the budget be approved after a public hearing is held by the Broward County Board of County Commissioners (BOCC). Subsequent amendments to the budget, if any, are approved by the BOCC. Fund appropriations lapse after year-end.

Budgets are prepared on the same basis as accounting as required for the governmental fund types and conforms with GAAP.