

Regional Raw Water System of Broward County, Florida

Schedule of Large User Annual Adjustments
Year Ended September 30, 2021

Contents

Independent auditor's report	1-2
Schedule of large user annual adjustments	3
Notes to schedule of large user annual adjustments	4



RSM US LLP

Independent Auditor's Report

Board of County Commissioners
Broward County, Florida

Report on the Schedule

We have audited the accompanying Schedule of Large User Annual Adjustments (the Schedule) of the Regional Raw Water System of Broward County, Florida (the County) for the year ended September 30, 2021, and the related notes to the Schedule.

Management's Responsibility for the Schedule

Management is responsible for the preparation and fair presentation of the Schedule in accordance with the financial reporting provisions of the Large User Agreements. Management is also responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the Schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on the 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 auditor's 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 referred to above presents fairly, in all material respects, the Regional Raw Water System Large User Annual Adjustments for the year ended September 30, 2021, in accordance with the financial reporting provisions of the Large User Agreements.

Basis of Accounting

We draw attention to Note 1 of the Schedule, which describes the basis of accounting. The Schedule was prepared by the County on the basis of the financial reporting provisions of the Large User Agreements, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Emphasis of Matter

As discussed in Note 1, the accompanying Schedule was prepared for the purpose of complying with the Large User Agreements, as described in Note 2, and does not purport to, and does not, present fairly the financial position, changes in financial position of the Water and Wastewater Services Department or the County, as of September 30, 2021, 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 opinion is not modified with respect to this matter.

Restriction on Use

Our report is intended solely for the information and use of the Board of County Commissioners, management of the County and the Large Users and is not intended to be, and should not be, used by anyone other than these specified parties.

RSM US LLP

Fort Lauderdale, Florida
April 27, 2022

SCHEDULE OF LARGE USER ANNUAL ADJUSTMENTS
YEAR ENDED SEPTEMBER 30, 2021

	<u>City of Hollywood</u>	<u>City of Dania Beach</u>	<u>City of Hallandale</u>	<u>City of Deerfield</u>	<u>Total Cities</u>	<u>FPL</u>	<u>Total Cities/ FPL</u>	<u>Broward County</u>	<u>Total</u>
Total actual flows	1,642,746	879,406	1,464,210	194,695	4,181,057	6,673	4,187,730	1,267,003	5,454,733
Operation and Maintenance Costs	\$ 289,950	\$ 155,218	\$ 258,438	\$ 34,364	\$ 737,970	\$ 1,178	\$ 739,148	\$ 223,630	\$ 962,778
Less amount billed	(382,760)	(204,902)	(341,161)	(45,364)	(974,187)	(1,555)	(975,742)	(295,212)	(1,270,954)
Total due to large users	<u>\$ (92,810)</u>	<u>\$ (49,684)</u>	<u>\$ (82,723)</u>	<u>\$ (11,000)</u>	<u>\$ (236,217)</u>	<u>\$ (377)</u>	<u>\$ (236,594)</u>	<u>\$ (71,582)</u>	<u>\$ (308,176)</u>
Monthly fiscal adjustment charges	<u>\$ (7,734)</u>	<u>\$ (4,140)</u>	<u>\$ (6,894)</u>	<u>\$ (917)</u>	<u>\$ (19,685)</u>	<u>\$ (31)</u>	<u>\$ (19,716)</u>	<u>\$ (5,965)</u>	<u>\$ (25,681)</u>

See accompanying notes to schedules

Note 1. Summary of Significant Accounting Policies

Reporting presentation: The accompanying Schedule of Large User Annual Adjustments (Schedule) has been prepared in accordance with the requirements of the Large User Agreements, and under the basis of accounting which is described below. The Schedule is not intended to present and does not present the financial position and changes in financial position and cash flows of the Water and Wastewater Services Department or Broward County, Florida (the County) in conformity with accounting principles generally accepted in the United States of America.

Basis of accounting: The Schedule is prepared using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of when the related cash flows take place. Financial transactions reported include the operating costs of the facility but excludes depreciation. Amounts reported as billed to users represents the annual estimated billings including adjustments related to the prior year true up.

Note 2. Large User Agreements

The County has entered into user agreements with large wholesale users of the Raw Water Regional System (the System). The agreements provide that the cost of operating the System as defined be charged to each large user on the basis of each user's proportionate share of total actual flows in million gallons per day (MGD). The actual flows were based on the County's monthly meter reading for the period. In accordance with the large user agreements, the monthly fiscal adjustment charges will be applied to the monthly bills for the next fiscal year.