North Regional Transmission, Treatment and Disposal System Water and Wastewater Fund of Broward County, Florida

Schedule of Large User Reserve Capacity and Debt Service Allocation and Schedule of Large User Annual Adjustments
Year Ended September 30, 2025

Contents

RSM

Independent Auditor's Report

RSM US LLP

Honorable Board of County Commissioners
Broward County, Florida

Opinion

We have audited the Schedule of Large User Reserve Capacity and Debt Service Allocation and the Schedule of Large User Annual Adjustments of the North Regional Transmission, Treatment and Disposal System of the Water and Wastewater Fund (the Fund) of Broward County, Florida (the County), for the year ended September 30, 2025, and the related notes to the schedules (the schedules).

In our opinion, the accompanying schedules present fairly, in all material respects, the Large User Reserve Capacity and Debt Service Allocation, and the Large User Annual Adjustments of the North Regional Transmission, Treatment and Disposal System of the Fund of the County, for the year ended September 30, 2025, in accordance with the financial reporting provisions of the Large User Agreements described in Note 1.

Basis for Opinion

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 Schedules 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 opinion.

Emphasis of Matter—Basis of Accounting

We draw attention to Note 1 to the schedules, which describes the basis of accounting. The schedules were 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. As a result, the schedules may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Schedules

Management is responsible for the preparation and fair presentation of the schedules in accordance with the financial reporting provisions of the Large User Agreements described in Note 1, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the schedules that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedules

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

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 schedules, 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 schedules.

- 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 schedules.

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.

Other Matter
We have audited, in accordance with GAAS, the financial statements of the Fund as of and for the year ended September 30, 2025, and our report thereon, dated March 27, 2026, expressed an unmodified opinion on those financial statements.

Other Matter—Restriction on Use
Our report is intended solely for the information and use of the Honorable 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 1, 2026

NORTH REGIONAL TRANSMISSION, TREATMENT AND DISPOSAL SYSTEM
BROWARD COUNTY, FLORIDA

SCHEDULE OF LARGE USER RESERVE CAPACITY AND DEBT SERVICE ALLOCATION

Year Ended September 30, 2025

	Reserve Capacity		
	Million Gallons Per Day	% of Total	Debt Service
Treatment			
Broward County	19.4200	22.2882%	$ 5,681,102
Coconut Creek	6.5400	7.5059%	1,913,203
Coral Springs	9.7900	11.2359%	2,863,954
Deerfield Beach	8.5000	9.7554%	2,486,579
Lauderhill	7.1000	8.1486%	2,077,025
North Lauderdale	4.4000	5.0498%	1,287,170
N.S.I.D.	3.5300	4.0513%	1,032,661
Oakland Park	1.5200	1.7445%	444,659
Parkland Utilities	0.3814	0.4377%	111,574
Pompano Beach	17.0000	19.5108%	4,973,158
Royal Waterworks	0.4500	0.5165%	131,642
Tamarac	8.5000	9.7554%	2,486,579
Yearly Total	87.1314	100.0000%	$ 25,489,306
Transmission			
Broward County	19.4200	28.5582%	$ 1,843,153
Coconut Creek	4.4100	6.4852%	418,553
Coral Springs	9.7900	14.3968%	929,169
Deerfield Beach	8.5000	12.4997%	806,735
Lauderhill	7.1000	10.4410%	673,861
North Lauderdale	4.4000	6.4704%	417,604
N.S.I.D.	3.5300	5.1911%	335,032
Oakland Park	1.5200	2.2352%	144,263
Parkland Utilities	0.3814	0.5609%	36,199
Royal Waterworks	0.4500	0.6618%	42,710
Tamarac	8.5000	12.4997%	806,736
Yearly Total	68.0014	100.0000%	$ 6,454,015

See accompanying notes to schedules

NORTH REGIONAL TRANSMISSION, TREATMENT AND DISPOSAL SYSTEM
BROWARD COUNTY, FLORIDA

SCHEDULE OF LARGE USER ANNUAL ADJUSTMENTS

YEAR ENDED SEPTEMBER 30, 2025

	Coconut Creek	Coral Springs	Deerfield Beach	Lauderhill	North Lauderdale	North Springs Improvement District	Oakland Park
Treatment							
Actual flows (in 1,000 gallons)	1,540,455	2,132,955	1,859,956	2,117,272	1,145,119	1,140,196	932,238
Actual operating costs	$ 2,564,417	$ 3,550,760	$ 3,096,295	$ 3,524,652	$ 1,906,296	$ 1,898,100	$ 1,551,910
Debt service costs	1,913,203	2,863,954	2,486,579	2,077,025	1,287,170	1,032,661	444,659
Total costs	4,477,621	6,414,714	5,582,874	5,601,677	3,193,466	2,930,761	1,996,569
Less amounts billed	4,256,259	6,108,214	5,315,603	5,297,421	3,028,912	2,766,913	1,862,598
Other income, net	532,519	737,340	642,967	731,918	395,855	394,154	322,265
Treatment adjustments due to large users	$ (311,158)	$ (430,840)	$ (375,696)	$ (427,662)	$ (231,301)	$ (230,306)	$ (188,294)
Transmission							
Actual flows (in 1,000 gallons)	1,006,393	2,132,955	1,859,956	2,117,272	1,145,119	1,140,196	932,238
Actual operating costs	$ 291,325	$ 617,437	$ 538,411	$ 612,897	$ 331,483	$ 330,058	$ 269,860
Debt service costs	418,553	929,169	806,735	673,861	417,604	335,032	144,263
Total costs	709,878	1,546,606	1,345,146	1,286,758	749,088	665,090	414,123
Less amounts billed	658,071	1,436,803	1,249,397	1,177,765	690,138	606,396	366,134
Other income, net	-						
Transmission adjustments due to large users	$ 51,807	$ 109,803	$ 95,749	$ 108,993	$ 58,949	$ 58,694	$ 47,989
Total treatment and transmission adjustments due to large users	$ (259,351)	$ (321,037)	$ (279,947)	$ (318,668)	$ (172,352)	$ (171,612)	$ (140,305)
Monthly fiscal adjustment charges	$ (21,612)	$ (26,753)	$ (23,329)	$ (26,556)	$ (14,363)	$ (14,301)	$ (11,692)

(Continued)

See accompanying notes to schedules

NORTH REGIONAL TRANSMISSION, TREATMENT AND DISPOSAL SYSTEM
BROWARD COUNTY, FLORIDA

SCHEDULE OF LARGE USER ANNUAL ADJUSTMENTS

YEAR ENDED SEPTEMBER 30, 2025

	Parkland	Pompano Beach	Royal Waterworks	Tamarac	Subtotal Cities	Broward County	Total
Treatment							
Actual flows (in 1,000 gallons)	72,782	5,131,563	104,005	2,272,589	18,449,129	4,656,887	23,106,016
Actual operating costs	$ 121,161	$ 8,542,584	$ 173,138	$ 3,783,211	$ 30,712,524	$ 7,752,387	$ 38,464,911
Debt service costs	111,574	4,973,158	131,642	2,486,579	19,808,204	5,681,102	25,489,306
Total costs	232,735	13,515,742	304,780	6,269,790	50,520,728	13,433,489	63,954,217
Less amounts billed	216,602	12,778,327	289,836	5,943,218	47,863,903	12,764,299	60,628,202
Other income, net	25,160	1,773,926	35,953	785,610	6,377,667	1,609,836	7,987,503
Treatment adjustments due to large users	$ (9,027)	$ (1,036,511)	$ (21,009)	$ (459,038)	$ (3,720,842)	$ (940,646)	$ (4,661,488)
Transmission							
Actual flows (in 1,000 gallons)	72,782		104,005	2,272,589	12,783,505	4,656,887	17,440,392
Actual operating costs	$ 21,069	$ -	$ 30,107	$ 657,858	$ 3,700,505	$ 1,348,053	$ 5,048,558
Debt service costs	36,199		42,710	806,736	4,610,862	1,843,153	6,454,015
Total costs	57,268	-	72,817	1,464,594	8,311,367	3,191,206	11,502,573
Less amounts billed	51,679	-	67,462	1,347,603	7,651,448	2,951,473	10,602,921
Other income, net	- -						
Transmission adjustments (due to) from large users	$ 5,589 -	$	$ 5,355	$ 116,991	$ 659,919	$ 239,733	$ 899,652
Total treatment and transmission adjustments due to large users	$ (3,438)	$ (1,036,511)	$ (15,654)	$ (342,047)	$ (3,060,923)	$ (700,913)	$ (3,761,836)
Monthly fiscal adjustment charges	$ (287) -	$ (86,376)	$ (1,304)	$ (28,504)	$ (255,077)	$ (58,409)	$ (313,486)

North Regional Transmission, Treatment and Disposal System of Broward County, Florida

Notes to Schedules

Note 1. Summary of Significant Accounting Policies Reporting Presentation

The accompanying Schedules have been prepared in accordance with the requirements of the Large User Agreements, and under the basis of accounting which is described below. The Schedules are not intended to present and do not present the financial position, 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 Schedules are 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. Debt service costs include both the interest and principal payments and the funding of debt service reserve requirements which are required on the debt allocated to the facility based on each large user's percentage of reserve capacity. Other income is reported for septage, pretreatment fees and other revenue incidental to the operation of the North Regional Wastewater System (the System). Amounts reported as billed to users represent the annual estimated billings.

Note 2. Large User Agreements

The County has entered into user agreements with wholesale users of 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 gallons processed. The gallons processed are based on the County's monthly meter reading for the period. In addition, each large user is charged a debt service fee for the principal, interest and debt service coverage requirements on debt issued to finance the construction of the North Regional Wastewater Treatment Facility. The debt service charge allocated is based on the relative percentage of reserve capacity designated for each user to total reserve capacity. In accordance with the large user agreements, the monthly fiscal adjustment charges amount will be applied to the monthly bills for the next fiscal year.