

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, 2024

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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 (the Schedules) 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, 2024, and the related notes to 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, 2024, 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 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, 2024, and our report thereon, dated March 27, 2025, 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 4, 2025

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

SCHEDULE OF LARGE USER RESERVE CAPACITY AND DEBT SERVICE ALLOCATION

Year Ended September 30, 2024

	Reserve Capacity		
	Million Gallons Per Day	% of Total	Debt Service
Treatment			
Broward County	19.4200	22.2882%	\$ 5,688,805
Coconut Creek	6.5400	7.5059%	1,915,797
Coral Springs	9.7900	11.2359%	2,867,837
Deerfield Beach	8.5000	9.7554%	2,489,950
Lauderhill	7.1000	8.1486%	2,079,841
North Lauderdale	4.4000	5.0498%	1,288,916
N.S.I.D.	3.5300	4.0513%	1,034,062
Oakland Park	1.5200	1.7445%	445,262
Parkland Utilities	0.3814	0.4377%	111,726
Pompano Beach	17.0000	19.5108%	4,979,901
Royal Waterworks	0.4500	0.5165%	131,821
Tamarac	8.5000	9.7554%	2,489,950
Yearly Total	<u>87.1314</u>	<u>100.0000%</u>	<u>\$ 25,523,868</u>
Transmission			
Broward County	19.4200	28.5582%	\$ 1,847,286
Coconut Creek	4.4100	6.4852%	419,492
Coral Springs	9.7900	14.3968%	931,253
Deerfield Beach	8.5000	12.4997%	808,544
Lauderhill	7.1000	10.4410%	675,372
North Lauderdale	4.4000	6.4704%	418,541
N.S.I.D.	3.5300	5.1911%	335,784
Oakland Park	1.5200	2.2352%	144,587
Parkland Utilities	0.3814	0.5609%	36,280
Royal Waterworks	0.4500	0.6618%	42,805
Tamarac	8.5000	12.4997%	808,544
Yearly Total	<u>68.0014</u>	<u>100.0000%</u>	<u>\$ 6,468,488</u>

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, 2024

	Coconut Creek	Coral Springs	Deerfield Beach	Lauderhill	North Lauderdale	North Springs Improvement District	Oakland Park
Treatment							
Actual flows (in 1,000 gallons)	1,763,185	2,748,576	1,844,752	2,331,786	1,273,334	1,198,334	460,743
Actual operating costs	\$ 2,704,621	\$ 4,216,152	\$ 2,829,740	\$ 3,576,821	\$ 1,953,219	\$ 1,838,173	\$ 706,752
Debt service costs	1,915,797	2,867,837	2,489,950	2,079,841	1,288,916	1,034,062	445,262
Total costs	4,620,418	7,083,988	5,319,690	5,656,662	3,242,135	2,872,235	1,152,014
Less amounts billed	4,255,771	6,515,318	4,939,124	5,173,532	2,978,608	2,623,880	1,056,618
Other income, net	445,036	693,753	465,624	588,554	321,395	302,465	116,294
Treatment adjustments due to large users	\$ (80,389)	\$ (125,083)	\$ (85,058)	\$ (105,423)	\$ (57,869)	\$ (54,110)	\$ (20,898)
Transmission							
Actual flows (in 1,000 gallons)	1,257,939	2,748,576	1,844,752	2,331,786	1,273,334	1,198,334	460,743
Actual operating costs	\$ 308,776	\$ 674,671	\$ 452,817	\$ 572,365	\$ 312,555	\$ 294,146	\$ 113,095
Debt service costs	419,492	931,253	808,544	675,372	418,541	335,784	144,587
Total costs	728,268	1,605,924	1,261,361	1,247,737	731,096	629,931	257,682
Less amounts billed	712,911	1,572,424	1,239,567	1,218,886	715,528	615,060	252,023
Other income, net	-	-	-	-	-	-	-
Transmission adjustments due to large users	\$ 15,358	\$ 33,501	\$ 21,794	\$ 28,851	\$ 15,569	\$ 14,870	\$ 5,659
Total treatment and transmission adjustments due to large users	\$ (65,031)	\$ (91,583)	\$ (63,263)	\$ (76,573)	\$ (42,300)	\$ (39,240)	\$ (15,238)
Monthly fiscal adjustment charges	\$ (5,419)	\$ (7,632)	\$ (5,272)	\$ (6,381)	\$ (3,525)	\$ (3,270)	\$ (1,270)

(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, 2024

	Parkland	Pompano Beach	Royal Waterworks	Tamarac	Subtotal Cities	Broward County	Total
Treatment							
Actual flows (in 1,000 gallons)	77,824	5,102,320	126,983	2,371,582	19,299,419	5,260,085	24,559,504
Actual operating costs	\$ 119,377	\$ 7,826,657	\$ 194,784	\$ 3,637,866	\$ 29,604,163	\$ 8,068,658	\$ 37,672,821
Debt service costs	111,726	4,979,901	131,821	2,489,950	19,835,063	5,688,805	25,523,868
Total costs	231,103	12,806,558	326,605	6,127,816	49,439,226	13,757,463	63,196,689
Less amounts billed	180,897	11,750,229	300,332	5,637,174	45,411,483	12,669,563	58,081,046
Other income, net	19,643	1,287,850	32,051	598,598	4,871,264	1,327,671	6,198,935
Treatment adjustments due to large users	\$ 30,564	\$ (231,521)	\$ (5,777)	\$ (107,957)	\$ (843,520)	\$ (239,772)	\$ (1,083,293)
Transmission							
Actual flows (in 1,000 gallons)	77,824		126,983	2,371,582	13,691,853	5,260,085	18,951,938
Actual operating costs	\$ 19,103	\$ -	\$ 31,170	\$ 582,133	\$ 3,360,831	\$ 1,291,151	\$ 4,651,982
Debt service costs	36,280		42,805	808,544	4,621,202	1,847,286	6,468,488
Total costs	55,383	-	73,975	1,390,676	7,982,033	3,138,437	11,120,470
Less amounts billed	43,357	-	72,426	1,361,791	7,803,972	3,074,571	10,878,543
Other income, net	-	-	-	-	-	-	-
Transmission adjustments (due to) from large users -	\$ 12,025	\$ -	\$ 1,548	\$ 28,885	\$ 178,061	\$ 63,866	\$ 241,927
Total treatment and transmission adjustments due to large users	\$ 42,589	\$ (231,521)	\$ (4,229)	\$ (79,071)	\$ (665,460)	\$ (175,906)	\$ (841,366)
Monthly fiscal adjustment charges	\$ 3,549	\$ (19,293)	\$ (352)	\$ (6,589)	\$ (55,455)	\$ (14,659)	\$ (70,114)

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.