

Broward County, Florida

Reports in Accordance with *Government Auditing Standards* and Chapter 10.550, Rules of the Auditor General of the State of Florida
Fiscal Year Ended September 30, 2025

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RSM US LLP

**Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements
Performed in Accordance With Government Auditing Standards**

Independent Auditor's Report

Board of County Commissioners
Broward County, Florida

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of Broward County, Florida (the County), as of and for the year ended September 30, 2025, and the related notes to the financial statements, which collectively comprise the County's basic financial statements, and have issued our report thereon dated March 27, 2026. Our report has an emphasis-of-matter paragraph as the County adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, as of October 1, 2024. Our opinions are not modified with respect to this matter.

Our report includes a reference to other auditors who audited the financial statements of: (1) Clerk of the Circuit and County Courts (a discretely presented component unit), (2) Broward County Housing Finance Authority (a discretely presented component unit), (3) Broward County Supervisor of Elections (reported as part of the County's General Fund), and (4) Broward County Property Appraiser (reported as part of the County's General Fund), as described in our report on the County's financial statements. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County's internal control. Accordingly, we do not express an opinion on the effectiveness of the County's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control, described below as item 2025-001, that we consider to be a material weakness.

2025-001—Material Weakness, Construction In Progress—Classification of Completed Projects and Related Depreciation Expense and Improper Period Recognition

Criteria: Generally Accepted Accounting Principles (GAAP) for state and local governments require that capital assets be capitalized and depreciated when placed into service.

GASB Codification, Section 1400.101–.104 (Capital Assets) states that capital assets of proprietary funds should be reported in both the government-wide and fund financial statements, and should be depreciated over their estimated useful lives.

GAAP requires that capital asset costs, including construction in progress, be recognized in the period in which the underlying construction activity occurs, consistent with the accrual basis of accounting.

Condition: The Water and Wastewater Fund (Fund) did not timely reclassify certain completed capital projects from Construction in Progress (CIP) to the appropriate capital asset categories when the assets were placed in service. As a result, depreciation expense related to those completed assets was not recorded beginning in the period the assets were available for use. Furthermore, there were costs incurred in previous periods that were not properly included in construction in progress in the fiscal year they occurred.

Cause: Due to turnover in the engineering department, the Fund did not have adequate controls or monitoring procedures in place to identify when construction projects were substantially complete and placed into service. As a result, capital asset records were not timely updated, and depreciation calculations were not initiated.

Effect or Potential Effect: Failure to reclassify completed projects and record depreciation resulted in:

- An uncorrected misstatement for the prior period impact of approximately \$1.7M for projects that were completed and not depreciated.
- Overstatement of Construction in Progress of approximately \$57.8 million.
- Understatement of accumulated depreciation and depreciation expense by approximately \$1,300,000. These misstatements could impact the accuracy of the Fund's statement of net position and statement of revenues, expenses and changes in net position.
- An amount of approximately \$450,000 included as construction in progress additions in the fiscal year under audit that occurred in previous periods.

Recommendation: We recommend that management implement formal procedures to:

1. Periodically review CIP balances to identify projects that have been placed into service.
2. Timely reclassify completed projects from CIP to depreciable capital asset categories.
3. Begin recording depreciation in the period the asset is placed into service, in accordance with GAAP.
4. Document review and approval of capital asset reclassifications and depreciation calculations.
5. Implement effective period-end cutoff and review procedures to identify and record construction activity incurred but not yet recorded.

Views of Responsible Officials: Management agrees with the finding.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

County's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the findings identified in our audit and described above. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

RSM US LLP

Fort Lauderdale, Florida
March 27, 2026



RSM US LLP

**Independent Accountant's Report on Compliance
With Section 218.415, Florida Statutes**

Honorable Mayor and Chairman and
Members of the Board of County Commissioners
Broward County, Florida

We have examined Broward County's (the County) compliance with Section 218.415, *Florida Statutes, Local Government Investment Policies* (the specified requirements) during the period October 1, 2024 to September 30, 2025. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the County's compliance with the specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the County complied, in all material respects, with the specified requirements during the period October 1, 2024 to September 30, 2025.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than the specified parties.

RSM US LLP

Fort Lauderdale, Florida
March 27, 2026



RSM US LLP

**Independent Accountant's Report on Compliance
With Section 365.172 and 365.173, Florida Statutes**

Honorable Mayor and Chairman and
Members of the Board of County Commissioners
Broward County, Florida

We have examined Broward County's (the County) compliance with Sections 365.172 and 365.173, *Florida Statutes, Emergency Communications Number E911 System Fund* (the specified requirements) during the period October 1, 2024 to September 30, 2025. Management of the County is responsible for the County's compliance with the specified requirements. Our responsibility is to express an opinion on the County's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the AICPA. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the County complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the County complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Our examination does not provide a legal determination on the County's compliance with the specified requirements.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

In our opinion, the County complied, in all material respects, with the specified requirements during the period October 1, 2024 to September 30, 2025.

This report is intended solely for the information and use of the Florida Auditor General, the Honorable Mayor, Board of County Commissioners, and applicable management, and is not intended to be and should not be used by anyone other than these specified parties.

RSM US LLP

Fort Lauderdale, Florida
March 27, 2026



RSM US LLP

**Management Letter in Accordance with the
Rules of the Auditor General of the State of Florida**

Board of County Commissioners
Broward County, Florida

Report on the Financial Statements

We have audited the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Broward County, Florida (the County) as of and for the fiscal year ended September 30, 2025, and have issued our report thereon dated March 27, 2026. Our report has an emphasis-of-matter paragraph as the County adopted the recognition and disclosure requirements of Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*, as of October 1, 2024. Our opinions are not modified with respect to this matter.

Our report includes a reference to other auditors who audited the financial statements of the: (1) Clerk of Circuit and County Courts (a discretely presented component unit), (2) Broward County Housing Finance Authority (a discretely presented component unit), (3) Broward County Supervisor of Elections (reported as part of the County's general fund), and (4) Broward County Property Appraiser (reported as part of the County's general fund). This report does not include the findings and recommendations of the other auditors' that are reported on separately by those auditors.

Auditor's Responsibility

We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and Chapter 10.550, *Rules of the Auditor General*.

Other Reporting Requirements

We have issued our Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* and our Independent Accountant's Report on an examination conducted in accordance with *AICPA Professional Standards*, AT-C Section 315, regarding compliance requirements in accordance with Chapter 10.550, *Rules of the Auditor General*. Disclosures in those reports, which are dated March 27, 2026, should be considered in conjunction with this management letter.

Prior Audit Findings

Section 10.554(1)(i)1., *Rules of the Auditor General*, requires that we determine whether or not corrective actions have been taken to address findings and recommendations made in the preceding annual financial audit report. No recommendations were made in the preceding audit report.

Official Title and Legal Authority

Section 10.554(1)(i)4., *Rules of the Auditor General*, requires that the name or official title and legal authority for the primary government and each component unit of the reporting entity be disclosed in the management letter, unless disclosed in the notes to the financial statements. The legal authority is disclosed in Note 1 to the financial statements.

Financial Condition and Management

Sections 10.554(1)(i)5.a. and 10.556(7) of Chapter 10.550, *Rules of the Auditor General*, require us to apply appropriate procedures and communicate the results of our determination as to whether or not the County met one or more of the conditions described in Section 218.503(1), *Florida Statutes*, and to identify the specific condition(s) met. In connection with our audit, we determined that the County did not meet any of the conditions described in Section 218.503(1), *Florida Statutes*.

Pursuant to Sections 10.554(1)(i)5.b. and 10.556(8) of Chapter 10.550, *Rules of the Auditor General*, we applied financial condition assessment procedures for the County. It is management's responsibility to monitor the County's financial condition, and our financial condition assessment was based in part on representations made by management and review of financial information provided by same.

Section 10.554(1)(i)2., *Rules of the Auditor General*, requires that we communicate any recommendations to improve financial management. Internal control deficiencies have been reported in our *Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statements Performed in Accordance with Government Auditing Standards*, issued on separate cover.

Property Assessed Clean Energy (PACE) Programs

As required by Section 10.554(1)(i)6.a., *Rules of the Auditor General*, the County shall provide a statement as to whether a PACE program authorized pursuant to Section 163.081 or Section 163.082, *Florida Statutes* did or did not operate within the County's geographical boundaries during the fiscal year under audit. The County did operate a PACE program.

As required by Section 10.554(1)(i)6.b. and 10.554(1)(i)6.c., *Rules of the Auditor General*, if a PACE program was operating within the geographical areas of the County, a list of all program administrators and third-party administrators that administered the program including the full legal names and contact information of each such program administrator and third-party administrator.

This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements of the County, and accordingly, we do not express an opinion or provide any assurance on it.

Special District Component Units

Section 10.554(1)(i)5.c of Chapter 10.550, *Rules of the Auditor General*, requires, if appropriate, that we communicate the failure of a special district that is a component unit of a county, municipality or special district, to provide the financial information necessary for proper reporting of the component unit within the audited financial statements of the county, municipality or special district in accordance with Section 218.39(3)(b), *Florida Statutes*. In connection with our audit, we did not note any special district component units that failed to provide the necessary information for proper reporting in accordance with Section 218.39(3)(b), *Florida Statutes*.

As required by Section 218.39(3)(c), *Florida Statutes*, and Section 10.554(1)(i)6, *Rules of the Auditor General*, each dependent special district reported (unaudited):

- a. The total number of district employees compensated in the last pay period of the district's fiscal year as
 - The Broward County Water Control District No. 2 0
 - The Broward County Water Control District No. 3 0
 - The Broward County Water Control District No. 4 0
 - The Cocomar Water Control District 0
 - The Broward County Community Redevelopment Agency 0
 - The Broward County Educational Facilities Authority 0
 - The Broward County Solid Waste Disposal District 0
 - The Broward County Health Facilities Authority 0
 - The Broward County Housing Finance Authority 5

- b. The total number of independent contractors to whom nonemployee compensation was paid in the last month of the district's fiscal year as 0.
- c. All compensation earned by or awarded to employees, whether paid or accrued, regardless of contingency as
- | | |
|---|--------------|
| • The Broward County Water Control District No. 2 | 0 |
| • The Broward County Water Control District No. 3 | 0 |
| • The Broward County Water Control District No. 4 | 0 |
| • The Cocomar Water Control District | 0 |
| • The Broward County Community Redevelopment Agency | 0 |
| • The Broward County Educational Facilities Authority | 0 |
| • The Broward County Solid Waste Disposal District | 0 |
| • The Broward County Health Facilities Authority | 0 |
| • The Broward County Housing Finance Authority | \$669,625.08 |
- d. All compensation earned by or awarded to nonemployee independent contractors, whether paid or accrued, regardless of contingency as 0.
- e. Each construction project with a total cost of at least \$65,000 approved by the district that is scheduled to begin on or after October 1 of the fiscal year being reported, together with the total expenditures for such project as none.
- f. A budget variance based on the budget adopted under Section 189.016(4), Florida Statutes, before the beginning of the fiscal year being reported if the district amends a final adopted budget under Section 189.016(6), Florida Statutes, as
- The Broward County Water Control District No. 2
A budget variance based on the budget adopted under Section 189.016(4), *Florida Statutes*, before the beginning of the fiscal year being reported if the district amends final adopted budget under Section 189.016(6), *Florida Statutes*, as follows: the district's original budget totaled \$987,470 and was amended by the total amount of \$0, for final budgeted expenditures of \$987,470.
 - The Broward County Water Control District No. 3
A budget variance based on the budget adopted under Section 189.016(4), *Florida Statutes*, before the beginning of the fiscal year being reported if the district amends final adopted budget under Section 189.016(6), *Florida Statutes*, as follows: the district's original budget totaled \$747,100 and was amended by the total amount of \$0, for final budgeted expenditures of \$747,100.
 - The Broward County Water Control District No. 4
A budget variance based on the budget adopted under Section 189.016(4), *Florida Statutes*, before the beginning of the fiscal year being reported if the district amends final adopted budget under Section 189.016(6), *Florida Statutes*, as follows: the district's original budget totaled \$603,780 and was amended by the total amount of \$0, for final budgeted expenditures of \$603,780.
 - The Cocomar Water Control District
A budget variance based on the budget adopted under Section 189.016(4), *Florida Statutes*, before the beginning of the fiscal year being reported if the district amends final adopted budget under Section 189.016(6), *Florida Statutes*, as follows: the district's original budget totaled \$1,999,920 and was amended by the total amount of \$0, for final budgeted expenditures of \$1,999,920.
 - The Broward County Community Redevelopment Agency *
 - The Broward County Educational Facilities Authority *

- The Broward County Solid Waste Disposal District *
- The Broward County Health Facilities Authority
Original budget totaled \$929,630 and was amended by the total amount of \$19,002, for final budgeted expenditures of \$910,628.
- The Broward County Housing Finance Authority
Refer to the RSI in the Broward County Housing Finance Authority September 30, 2025 financial statements.

* The component is inactive. Accordingly, a budget was not prepared.

Additional Matters

Section 10.554(1)(i)3., *Rules of the Auditor General*, requires us to communicate noncompliance with provisions of contracts or grant agreements, or abuse, that have occurred, or are likely to have occurred, that have an effect on the financial statements that is less than material but which warrants the attention of those charged with governance. In connection with our audit, we did not note any such findings.

Purpose of This Letter

Our management letter is intended solely for the information and use of the Legislative Auditing Committee, members of the Florida Senate and the Florida House of Representatives, the Florida Auditor General, Federal and other granting agencies, and applicable management, and is not intended to be, and should not be, used by anyone other than these specified parties.

RSM US LLP

Fort Lauderdale, Florida
March 27, 2026