

Regional Raw Water System Water and Wastewater Fund of Broward County, Florida

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 Annual Adjustments of the Regional Raw Water 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 (the schedule).

In our opinion, the accompanying schedule presents fairly, in all material respects, the Large User Annual Adjustments of the Regional Raw Water 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 Schedule 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 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. As a result, the schedule may not be suitable for another purpose. Our opinion is not modified with respect to this matter.

Responsibilities of Management 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 described in Note 1, and for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of a schedule that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Schedule

Our objectives are to obtain reasonable assurance about whether the schedule as a whole is 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 schedule.

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 schedule, 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 schedule.
- 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 schedule.

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 VS LLP

Fort Lauderdale, Florida
April 4, 2025

REGIONAL RAW WATER SYSTEM OF BROWARD COUNTY, FLORIDA

SCHEDULE OF LARGE USER ANNUAL ADJUSTMENTS

YEAR ENDED SEPTEMBER 30, 2024

	City of <u>Hollywood</u>	City of Dania <u>Beach</u>	City of <u>Hallandale</u>	City of <u>Deerfield</u>	Total <u>Cities</u>	<u>FPL</u>	Total Cities/ <u>FPL</u>	Broward <u>County</u>	Total
Total actual flows	1,599,309	1,033,459	1,655,179	193,410	4,481,357	47,556	4,528,913	1,391,425	5,920,338
Operation & Maintenance Costs	\$ 440,580	\$ 284,699	\$ 455,971	\$ 53,281	\$ 1,234,531	\$ 13,101	\$ 1,247,632	\$ 383,312	\$ 1,630,944
Less amount billed	(444,608)	(287,302)	(460,140)	(53,768)	(1,245,818)	(13,221)	(1,259,039)	(386,816)	(1,645,855)
Total due from large users	\$ (4,028)	\$ (2,603)	\$ (4,169)	\$ (487)	\$ (11,287)	\$ (120)	\$ (11,407)	\$ (3,504)	\$ (14,911)
Monthly fiscal adjustment charges	\$ (336)	\$ (217)	\$ (347)	\$ (41)	\$ (941)	\$ (10)	\$ (951)	\$ (292)	\$ (1,243)

See accompanying notes to schedules

**Regional Raw Water System of
Broward County, Florida**

Notes to Schedule of Large User Annual Adjustments

Note 1. Summary of Significant Accounting Policies

Reporting presentation: The accompanying Schedule of Large User Annual Adjustments (the 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 represent the annual estimated billings.

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.