

Transportation Surtax Program of Broward County, Florida

Report to the Honorable Mayor,
Members of the County Commission and
Members of the Independent Transportation
Surtax Oversight Board

Fiscal Year Ended September 30, 2020





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April 13, 2021

Honorable Mayor, Members of the Board of County Commission and
Members of the Independent Transportation Surtax Oversight Board
Broward County, Florida

Attention: Honorable Mayor, Members of the County Commission and Members of the Independent
Transportation Surtax Oversight Board

We are pleased to present this report related to our audit of the special-purpose financial statements of the Transportation Surtax Program of Broward County, Florida (the Surtax Program), as of and for the year ended September 30, 2020. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the Program's financial reporting process.

This report is intended solely for the information and use of the Honorable Mayor, Members of the Board of County Commission, Members of the Independent Transportation Surtax Oversight Board and management, and is not intended to be and should not be used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to be of service to Broward County, Florida.

RSM US LLP

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REQUIRED COMMUNICATIONS

Generally accepted auditing standards (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the special-purpose financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process for the Surtax Program.

Our Responsibilities With Regard to the Financial Statement and Compliance Audit

Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated January 29, 2021. Our audit of the special-purpose financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Overview of the Planned Scope and Timing of the Financial Statement Audit

We have issued a separate communication dated August 13, 2020, regarding the planned scope and timing of our audit and identified significant risks.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Under generally accepted accounting principles, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

Adoption of, or Change in, Accounting Policies

Management has the ultimate responsibility for the appropriateness of the accounting policies to be used for the Surtax Program which are special revenue and capital project funds of the County. The County did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the current period.

Significant or Unusual Transactions

We did not identify any significant or unusual transactions or significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Management's Judgments and Accounting Estimates

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

Basis of Accounting

The basic financial statements were prepared on the assumption that the Surtax Program will continue as a going concern.

Audit Adjustments and Uncorrected Misstatements

There were no audit adjustments proposed by us and recorded by County management for the Surtax Program. We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the special-purpose financial statements.

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

No significant issues arising from the Program's audit were discussed with or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

With the exception of working in a remote environment due to the effects of the pandemic, we did not encounter any significant difficulties in dealing with management during the audit.

Internal Control Matters

We will issue, under separate cover before June 30, 2021, the following reports in connection with our audit, as required by *Government Auditing Standards, Uniform Guidance, and Chapter 10.550, Rules of the Auditor General of the State of Florida*:

- 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*
- Management Letter in Accordance with Chapter 10.550, *Rules of the Auditor General of the State of Florida*

There were no matters reported in those reports that are relevant to the Program.

Significant Written Communications Between Management and Our Firm

Copies of significant written communications between our firm and the management of the County, including the representation letter provided to us by management, are attached as Exhibit A.

SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates.

We are not aware of any particularly sensitive accounting estimates related to the preparation of the Surtax Program's special-purpose financial statements that are required to be discussed with you.

EXHIBIT A

Significant Written Communications Between Management and Our Firm



FINANCE AND ADMINISTRATIVE SERVICES DEPARTMENT

115 S. Andrews Avenue, Room 513 • Fort Lauderdale, Florida 33301 • 954-357-7130 • FAX 954-357-7134 • Email: finance@broward.org

April 13, 2021

RSM US LLP
100 NE Third Ave, Suite 300
Fort Lauderdale, FL 33301

This representation letter is provided in connection with your audit of the special-purpose financial statements of each major fund of the Transportation Surtax Program of Broward County, Florida (the Program), as of and for the year ended September 30, 2020, for the purpose of expressing our opinion on whether the special purpose financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

We confirm, to the best of our knowledge and belief, that as of the date of this letter:

Financial Statements

1. We have fulfilled our responsibilities, as set out in the terms of the audit services agreement dated January 29, 2021, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
2. We acknowledge our responsibility for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
3. We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.
4. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable and reflect our judgment based on our knowledge and experience about past and current events, and our assumptions about conditions we expect to exist and courses of action we expect to take.
5. Related-party transactions, including those with the primary government having accountability for the Program, have been recorded in accordance with the economic substance of the transaction and appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
6. The financial statements properly classify all funds and activities in accordance with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as amended.
7. All events subsequent to the date of the financial statements, and for which U.S. GAAP requires adjustment or disclosure, have been adjusted or disclosed.
8. There is no known actual or possible litigation and claims that would need to be accounted for and disclosed in accordance with U.S. GAAP.

9. We have no direct or indirect legal or moral obligation for any debt of any organization, public or private, or to special assessment bond holders that is not disclosed in the financial statements.
10. We have complied with all aspects of contractual agreements that would have a material effect on the financial statements in the event of noncompliance. In connection therewith, we specifically represent that we are responsible for determining that we are not subject to the requirements of the Single Audit Act because we have not received, expended or otherwise been the beneficiary of the required amount of federal awards during the period of this audit.
11. We have no knowledge of any uncorrected misstatements in the financial statements.
12. Transportation surtax proceeds was collected, applied, disbursed, and expended only for authorized transportation and transit purposes, in accordance with applicable laws including, specifically, Sections 212.054 and 212.055(1), Florida Statutes.
13. Broward County Ordinance - *Section 31½ Taxation, Article V Broward County Transportation Surtax* requires that cash and investments of the Surtax Trust Fund not be commingled with any other funds, including other transportation or transit funds. Management has complied with this requirement by accounting for surtax funds in the separate Transportation Surtax Special Revenue Fund and Transportation Surtax Capital Projects Fund. Management has determined that separate custodial accounts are not required unless specified in the ordinance.

Information Provided

14. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements such as records, documentation and other matters;
 - b. Additional information that you have requested from us for the purpose of the audit;
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence; and
 - d. Minutes of the meetings of the governing board and committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
15. All transactions have been recorded in the accounting records and are reflected in the financial statements.
16. We have disclosed to you the results of our assessment of risk that the financial statements may be materially misstated as a result of fraud.
17. We have no knowledge of allegations of fraud or suspected fraud affecting the entity's financial statements involving:
 - a. Management.
 - b. Employees who have significant roles in internal control.
 - c. Others where the fraud could have a material effect on the financial statements.

18. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity's financial statements received in communications from employees, former employees, analysts, regulators, or others.
19. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.
20. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
21. We have disclosed to you the identity of the entity's related parties and all the related-party relationships and transactions of which we are aware.
22. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect management's ability to record, process, summarize and report financial data.
23. There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
24. During the course of your audit, you may have accumulated records containing data that should be reflected in our books and records. All such data have been so reflected. Accordingly, copies of such records in your possession are no longer needed by us.

Required Supplementary Information

25. With respect to the budgetary comparison schedules presented in relation to the financial statements as a whole:
 - a. We acknowledge our responsibility for the presentation of such information.
 - b. We believe such information, including its form and content, is fairly presented in accordance with U.S. GAAP.
 - c. The methods of measurement or presentation have not changed from those used in the prior period.
 - d. There are no underlying significant assumptions or interpretations regarding the measurement or presentation of such information other than those disclosed in the note to the schedules.

Compliance Considerations

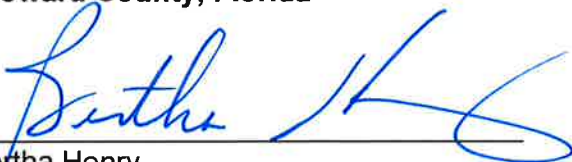
In connection with your audit conducted in accordance with *Government Auditing Standards*, we confirm that management:

26. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
27. Is responsible for compliance with the laws, regulations and provisions of contracts applicable to the auditee.
28. Has identified and disclosed to the auditor that there are no instances that have occurred, or are likely to have occurred, of fraud and noncompliance with provisions of laws and regulations that have a material effect on the financial statements or other

financial data significant to the audit objectives, and any other instances that warrant the attention of those charged with governance.

29. Has identified and disclosed to the auditor that there are no instances that have occurred, or are likely to have occurred, of noncompliance with provisions of contracts that have a material effect on the determination of financial statement amounts.
30. Has identified and disclosed to the auditor that there are no instances that have occurred, or are likely to have occurred, of abuse that could be quantitatively or qualitatively material to the financial statements.
31. Is responsible for the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
32. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.
33. Has a process to track the status of audit findings and recommendations (when applicable).
34. Has identified for the auditor previous audits, attestation engagements and other studies related to the audit objectives and whether related recommendations have been implemented (when applicable).

Broward County, Florida



Bertha Henry,
County Administrator



George Tablack
Chief Financial Officer