

# **Broward County, Florida Transportation Surtax Fund**

Report to the Honorable Mayor,  
Members of the County Commission and  
Members of the Independent Transportation  
Surtax Oversight Board  
Fiscal Year Ended September 30, 2019





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March 26, 2020

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 fund financial statements of the  
Transportation Surtax Fund of Broward County, Florida (Surtax Fund) as of and for the year ended  
September 30, 2019.

This report summarizes certain matters required by professional standards to be communicated to you in  
your oversight responsibility for the Surtax Fund'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 (the County).

*RSM US LLP*

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Exhibit A – Significant written communications between management and our firm

Representation letter

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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 basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial reporting process.

<b>Area</b>	<b>Comments</b>
<b>Our Responsibilities With Regard to the Financial Statement Audit</b>	Our responsibilities under auditing standards generally accepted in the United States of America have been described to you in our arrangement letter dated July 15, 2019. Our audit of the fund financial statements of the Surtax Fund does not relieve management of the County or those charged with governance of their responsibilities, which are also described in that letter.
<b>Overview of the Planned Scope and Timing of the Financial Statement Audit</b>	We have issued a separate communication regarding the planned scope and timing of our audit and have discussed with management our identification of and planned audit response to significant risks of material misstatement.
<b>Accounting Policies and Practices</b>	<p data-bbox="602 867 1430 1056"><b>Preferability of Accounting Policies and Practices</b> Under generally accepted accounting principles, in certain circumstances, management of the County may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.</p> <p data-bbox="602 1087 1430 1350"><b>Adoption of, or Change in, Accounting Policies</b> Management has the ultimate responsibility for the appropriateness of the accounting policies to be used for the Surtax Fund which is a special revenue fund of the County.  Management did not adopt any significant new accounting policies, nor have there been any other changes in existing significant accounting policies during the current period.</p> <p data-bbox="602 1381 1430 1539"><b>Significant or Unusual Transactions</b>  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</p> <p data-bbox="602 1570 1430 1728"><b>Management's Judgments and Accounting Estimates</b>  We are not aware of any particularly sensitive accounting estimates related to the preparation of the Surtax Fund financial statements that are required to be discussed with you.</p>

Area	Comments
<b>Audit Adjustments</b>	There were no audit adjustments proposed by us and recorded by Management for the Surtax Fund.
<b>Uncorrected Misstatements</b>	We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.
<b>Disagreements with Management</b>	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 fund financial statements.
<b>Consultations with Other Accountants</b>	We are not aware of any consultations management had with other accountants about accounting or auditing matters.
<b>Significant Issues Discussed with Management</b>	No significant issues arising from the audit were discussed with or were the subject of correspondence with management.
<b>Significant Difficulties Encountered in Performing the Audit</b>	We did not encounter any significant difficulties in dealing with management during the audit.
<b>Letter Communicating Significant Deficiencies and Material Weaknesses in Internal Control over Financial Reporting</b>	<p>We have issued, under separate cover, the following reports in connection with our audit of Broward County, Florida, as required by the <i>Government Auditing Standards</i> and <i>Chapter 10.550, Rules of the Florida Auditor General of the State of Florida</i>:</p> <ul style="list-style-type: none"> <li>• <i>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</i></li> <li>• <i>Management Letter Required Chapter 10.550, Rules of the Florida Auditor General of the State of Florida.</i></li> </ul> <p>There were no matters reported in those reports that are relevant to the Surtax Fund.</p>
<b>Certain Written Communications between Management and Our Firm</b>	Copies of material written communications between our firm and the management of the County, including the representation letter provided to us by management, is attached as Exhibit A.

**Exhibit A - Material Written Communications between Management  
and Our Firm**



Finance and Administrative Services Department

**ACCOUNTING DIVISION**

115 S Andrews Avenue, Room 221 • Fort Lauderdale, Florida 33301 • 954-357-7140 • FAX 954-357-7693

March 26, 2020

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 fund financial statements of the Surtax Fund of Broward County, Florida (the Surtax Fund), as of and for the nine months ended September 30, 2019, for the purpose of expressing opinion on whether the 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 July 15, 2019, 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 Surtax Fund, 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. 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.
7. 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.
8. 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.
9. 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.

10. We have no knowledge of any uncorrected misstatements in the financial statements.

**Information Provided**

11. 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.

12. All transactions have been recorded in the accounting records and are reflected in the financial statements.

13. 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.

14. 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.

15. 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.

16. We have no knowledge of noncompliance or suspected noncompliance with laws and regulations whose effects were considered when preparing financial statements.

17. We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.

18. 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.

19. We are aware of no significant deficiencies, including material weaknesses, in the design or operation of internal controls that could adversely affect the Surtax Fund's ability to record, process, summarize and report financial data.
20. We are aware of no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
21. 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**

22. With respect to the budgetary comparison schedule 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.

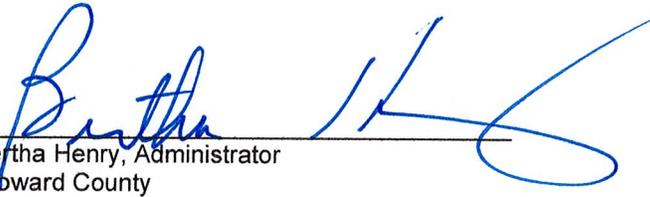
#### **Compliance Considerations**

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

23. Is responsible for the preparation and fair presentation of the financial statements in accordance with the applicable financial reporting framework.
24. Is responsible for compliance with the laws, regulations and provisions of contracts applicable to the auditee.
25. 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.
26. 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.
27. 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.
28. 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.
29. Acknowledges its responsibility for the design, implementation and maintenance of internal controls to prevent and detect fraud.

- 30. Has a process to track the status of audit findings and recommendations (when applicable).
- 31. Has identified for the auditor that there have been no previous audits, attestation engagements and other studies related to the audit objectives.

Broward County, Florida



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Bertha Henry, Administrator  
Broward County



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George Tablack, CPA  
Chief Financial Officer



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Kristin Carpenter, Director  
Accounting Division

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